99TH CONGRESS
2d Session | HOUSE OF REPRESENTATIVES | REPORT
99-571

REHABILITATION ACT AMENDMENTS OF 1986

MAY 5, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. HAWKINS, from the Committee on Education and Labor, submitted the following

REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany H.R. 4021]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor to whom was referred the bill (H.R. 4021) to extend and improve the Rehabilitation Act of 1973, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

The amendment in the nature of a substitute for the text of the introduced bill strikes all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

COMMITTEE ACTION

Herarings were held by the Subcommittee on Select Education to extend the Rehabilitation Act of 1973 (hereinafter in this report referred to as "the Act") and related programs affecting individuals with handicaps on June 11, June 25, July 17, August 27 and November 26, 1985.

Among the witnesses testifying were: Madeleine Will, Assistant Secretary for Special Education and Rehabilitative Services, United States Department of Education; Vernon Arrell, President, the Council of State Administrators of Vocational Rehabilitation; David Mentasti, Director, Vermont Division of Services for the Blind and Visually Handicapped; Robert Rabe, Administrator, Ohio Rehabilitation Services Commission; Susan Suter, Director, Illinois

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Department of Rehabilitation Services; Richard Switzer, Deputy Commissioner, New York Office of Vocational Rehabilitation; Brian Charleson, Watertown, MA; Helen Mendelsohn, Ellicott City, MD; Nancy Presson, Washington, D.C.; and Marilyn Spivack, Executive Director, National Head Injury Association, Framingham, MA.

Also testifying were: Isaac Gillam, IV, Assistant Administrator for Commercial Programs, National Aeronautics and Space Administration; Clyde Behney, Manager, Health Programs, Office of Technology Assessment; Nicholas Zill, Ph.D., Child Trends, Inc.; and Sheldon Simon, M.D., President, Rehabilitation Engineering Society of North America and Director, Gait Analysis Laboratory, Harvard/MIT.

Others providing testimony were: E. Russell Baxter, Commissioner, Arkansas Division of Rehabilitation Services; Altamont Dickerson, Jr., Commissioner, Virginia Department of Rehabilitative Services; Marita Danek, Ph.D., Director of Rehabilitation Counseling Association; Faith Kirk, Executive Director, Maryland Governor's Committee on Employment of the Handicapped; Robert Cholette, President, Easter Seal/Goodwill Foundation of New Hampshire and Vermont; Donald Dew, Ed.D., Director, Training and Research Utilization, research Training Center, George Washington University; Charles Harles, Director, Governmental Affairs, National Association of Rehabilitation Facilities; and Alexa Novak-Krajewski, Coordinator of Programs for the Disabled, Delaware Community Colleges.

Also testifying were: Walter R. Donaldson, Administrator, Rehabilitative Services Division, Department of Social and Rehabilitative Services, State of Montana; Maggie Bullock, Supervisor, Visual Services Division, Department of Social and Rehabilitative Services, State of Montana; R. Budd Gould, Montana State Representative and Member, National Council for the Handicapped; Dorothy Bradley, Montana State Representative; Boyd Peterson, Wheelchairs, Crutches and People, Montana State University; Susan Bertrand, M.D., Director, Missoula Community Hospital Rehabilitation Program; and Zana Smith, Executive Director, Montana Independent Living Project.

Additional witnesses were: Toshio Nishioka, Administrator for Vocational Rehabilitation, State of Hawaii; Terence Rogers, Ph.D., Dean, School of Medicine, Rehabilitation Research and Training Center, Honolulu, HA; Satoru Izutsu, Ph.D., Co-Director, Rehabilitation Research and Training Center; Gary Okamoto, M.D., Co-Director, Rehabilitation Research and Training Center; Erica Jones, Executive Director, Hawaii Center for Independent Living; and Patti Henderson, Executive Director, Protection and Advocacy Agency of Hawaii.

On January 21, 1986, Mr. Williams, for himself and Mr. Hawkins, Mr. Hayes, and Mr. Martinez introduced H.R. 4021, a bill to extend and improve the Rehabilitation Act of 1973, to extend the Helen Keller National Center Act, and for other purposes (hereinafter in this report referred to as "the bill").

On January 29, 1986 a hearing was held by the Subcommittee on H.R. 4021. Among the witnesses testifying were: David Mentasti, Director, Vermont Department of Services for the Blind and the

Visually Handicapped; Richard Switzer, Deputy Commissioner, New York State Office of Vocational Rehabilitation; Dee Everitt, Chairperson of the National Governmental Affairs Committee, ARC-US; William Sirak, President, Northern Rocky Mountain Easter Seal Society; Irvin D. Rutman, Ph.D., Executive Director, Matrix Institute; Milton Cohen, Executive Director, The Federation for the Handicapped in New York City; and Amos Sales, Ed.D., President, National Rehabilitation Association.

On February 25, 1986 the Subcommittee on Select Education met in open session and reported H.R. 4021 with amendments to the Committee on Education and Labor. On March 11, 1986, H.R. 4021, as amended by the Committee, was ordered reported by the Committee on Education and Labor by a voice vote.

BACKGROUND

VOCATIONAL REHABILITATION SERVICES (TITLE I OF THE ACT)

The Basic State Grant Program

The State-Federal program of vocational rehabilitation represents, over a span of 66 years, a true partnership in rehabilitating individuals with handicaps. The primary objective of the basic State grant program established under title I of the Act is to provide rehabilitation services which assist physically and mentally handicapped individuals to become employable. The role of the Federal government includes providing significant financial aid to States, planning and leadership.

In fiscal year 1984, a total of 225,772 individuals with handicaps were rehabilitated in the basic State grant program, an increase of 4.4 percent over FY1983. Of this number 132,665 or 59 percent were classified as being severely disabled, an increase of 6.8 percent over FY1983 levels. A total of 936,180 persons received services in FY1984, representing a decline of .3 percent from the privious year. Of this number, 60 percent were classified as severely disabled. The number of new active cases in fiscal year 1984 was 592,075, a drop from FY 1983 levels. Of these new cases, 61 percent were classified as severely disabled.

The percentage and the number of severely disabled persons among those rehabilitated has continued to rise each year since 1974, the first full year of operation under the Rehabilitation Act of 1973, which directed that priority be given to severely disabled individuals. However, the numbers of both severely and non-severely handicapped persons being served and rehabilitated has steadily declined since 1979.

For FY1985, Congress authorized $1,117,500,000 and appropriated $1,100,000,000 for the basic State grant. For FY1986 Congress authorized $1,203,200,000 and appropriated $1,190,000,000. Under the Balanced Budget and Emergency Deficit Control Act of 1985 (hereinafter in this report referred to as the Deficit Control Act), $44,852,000 was sequestered. Thus, the revised FY1986 appropriation is $1,145,148,000.

Technical assistance

Under section 12 of the act, the Commissioner may, among other things, provide consultative services and technical assistance to public and nonprofit private agencies and organizations and provide short-term training and technical instruction. Funds for this assistance were last appropriated in FY1981.

Evaluation

Section 14 directs the Secretary to evaluate the impact of all programs under the Act, their general effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with control groups. P.L. 98–221, the Rehabilitation Amendments of 1984 (hereinafter in this report referred to as the "1984 Amendments") requires that the Secretary establish standards for the evaluation which, to the extent possible, relate to increases in employment and earnings. In addition, the standards must take into account economic factors of the area and characteristics of handicapped persons to be served by the program.

In FY1986, $2 million was appropriated for this purpose. Under the Deficit Control Act, $77,000 eas sequestered. Thus, the revised FY1986 appropriation is $1.923 million.

Client Assistance Program

The 1984 Amendments changed the Client Assistance Program from a discretionary grant program to a program which all States are required to establish as a condition to receiving assistance under title I of the Act. The Secretary allots sums appropriated among the States on the basis of relative population of each State, except that no State shall receive less than $50,000.

The Program advises clients and client applicants of all available benefits under the Act and, upon request, assists them in their relationships with projects, programs and facilities providing services under the Act, including assisting in pursuing legal, administrative or other appropriate remedies to ensure the protection of their rights under the Act.

The 1984 Amendments directed the Commissioner to conduct a comprehensive evaluation of the program and submit a report to Congress by February 1, 1986. The evaluation report, which was not submitted as of the date this bill report was filed, is required to contain information on each State, including: (a) the number of individuals with handicaps assisted through the program; (b) the handicapping conditions of the individuals assisted, and the proportion each type of individuals represents of the total population assisted; (c) the types of services provided, cross-referenced to types of handicapped individuals assisted; (d) the type of organization or agency which administers the program; (e) the physical proximity of the program to the State rehabilitation agency; (f) and the type of organizational structure used by the program to deliver services.

Grants totaling $6.0 million were awarded in FY 1984 to the 50 States, the District of Columbia and the 6 territories. The FY 1985 appropriations for the Program was $6.3 million and the FY 1986 appropriation was $6.7 million. Under the Deficit Control Act,

$288,100 was sequestered. Thus, the revised appropriation for FY 1986 is $6.412 million.

Innovation and expansion

Part C of title I of the Act authorizes a program of grants to the States for innovation and expansion of rehabilitation services for individuals with the most severe handicaps or for classes of individuals with handicaps who have unusual and difficult problems with their rehabilitation. It also authorizes programs to maximize the use of technological innovations.

Prior to this year, the last time funds were appropriated for this program was 1980. For FY 1986, $9 million was appropriated. Under the Deficit Control Act, $387,000 was sequesterd. Thus, the revised appropriations for FY 1986 is $8.613 million.

American Indian vocational services

Part D of title I of the Act authorizes grants to Indian tribes for providing vocational rehabilitation services to disabled American Indians and Alaskan natives residing on Federal and State reservations.

In FY 1985, $1.43 million was appropriated. Grants were awarded to the Chippewa Cree Tribe of the Rocky Boy's Reservation, the Navajo Tribe, and the Yakima Tribe. It is estimated that 1,500 disabled American Indians will be served by these projects. In FY 1986, $1.4 million was appropriated. Under the Deficit Control Act, $60,200 was sequestered. Thus, the revised FY 1986 appropriation is $1.34 million.

RESEARCH AND TRAINING (TITLE II OF THE ACT)

Research

Title II of the Act authorizes the development of a comprehensive, coordinated research program under the direction of the National Institute of Handicapped Research (NIHR). Research is conducted through Research and Training Centers, Rehabilitation Engineering Centers, and through a number of programs, including demonstration projects; information utilization and dissemination projects; the Mary E. Switzer fellowship program; field initiated research; and innovation grants.

Typical research projects include: the development and demonstration of a system to provide telecaptioning programming and video text information to deaf-blind and blind persons using multimedia outputs; and a longitudinal study to determine the prevalence and incidence of learning disabilities in children up to grade 3.

The innovation grant program is a new program, which was authorized by the 1984 Amendments to test new concepts and ideas, demonstrate research results of high potential, purchase prototype aids and devices for evaluation, develop unique training curricula, and respond to special initiatives of the Director of NIHR.

The total budget for research for FY 1985 was $39 million; the budget for FY 1986 is $44 million. Under the Deficit Control Act, $1.892 million was sequestered. Thus, the revised appropriation for FY 1986 is $42.108 million.

Centers

Of the total funds available for research under this Title (see above), a substantial portion is carried out by Research and Training Centers. Thirty-seven Research and Training Centers and 16 Rehabilitation Engineering Centers were funded in the amounts of $18.1 million and $7.8 million, respectively in FY 1985. These Centers are integrated or affiliated with leading universities and service programs throughout the country. The placement of Centers within universities provides ready access to other professionals and other physical resources located in the host facilities. By coordinating research as well as sharing staff, equipment, and other resources, each Center can augment its own capabilities.

Areas of research and training at the Research and Training Centers focus on medical, psychosocial, and vocational aspects of the rehabilitation of persons with disabilities. In FY 1985, more than 300 research projects were funded on topics that included: improvement of rehabilitation outcomes of individuals with mental illness; low back pain; brain trauma and stroke; improving the psychosocial environment; eliminating social and attitudinal barriers; and improving services to seriously emotionally disturbed children. In addition, short-term training projects were conducted for 8,500 professionals in the rehabilitation field.

Approximately 1560 projects were conducted at Rehabilitation Engineering Centers on applying engineering knowledge to such areas as: blindness aids; wheelchair design; low-back pain; prosthetics and orthotics; worksite modification; hearing aids; and communication devices for individuals who are non-vocal. In addition, training programs were conducted for 2,000 professionals.

A model Spinal Cord Injury Research Systems Program provides grants for research and demonstration models of comprehensive delivery systems for persons with acute spinal cord injury. In FY1985, $5 million was appropriated and 13 model systems funded.

Interagency Committee

The Interagency Committee on Handicapped Research, chaired by the Director of the National Institute of Handicapped Research, serves as a forum, resource, and coordinating body for Federal agencies conducting or supporting research. The Committee also plans and conducts projects that involve non-governmental agencies to broaden participation.

SUPPLEMENTARY SERVICES AND FACILITIES (TITLE III OF THE ACT)

Training

Part A of title III of the Act establishes a rehabilitation training program which is designed to ensure the availability of skilled manpower to expand and improve vocational rehabilitation services for individuals with disabilities. Training grants are made to: (1) increase the number of personnel qualified to provide rehabilitation services to the disabled and (2) maintain and upgrade the skills of employed personnel.

In FY1984, $22 million was appropriated and 355 training projects were funded. Approximately 40 percent of the funds were awarded to support university programs in specialized professional fields. The remaining funds were used for trainee support. Eighty-four grants were awarded for in-service training of State vocational rehabilitation agency personnel and 11 grants were awarded for continuing education of persons working in rehabilitation agencies and facilities.

In FY1985, $22 million was appropriated and a total of 332 projects were funded. Two-hundred thirty long-term and 80 in-service training grants were awarded. Eleven grants were awarded for continuing education.

All training projects funded in FY1985 included content focusing on developing skills in placing individuals with severe disabilities into suitable employment. In the long-term training of rehabilitation counselors, a FY1985 funding priority was established for projects focusing on placement services and practicum experiences that increase trainees' knowledge of business and industry. All new rehabilitation counseling grants will include training content on Section 504, Title V, and its implications for placement of individuals with disabilities, as required under the 1984 Amendments to the Act.

For 1986, Congress appropriated $27 million. Under the Deficit Control Act, $1.161 million was sequestered. Thus, the revised appropriation for FY1986 is $25.839 million.

A program to train interpreters for the deaf, authorized in 1978, was initiated in 1980 to assist those individuals in health, education, employment and other social services settings. In FY1984, ten noncompetitive grants totaling $900,000 were awarded for continuing projects previously awarded. In FY1985, 10 new projects were funded, providing a combination of on-campus academic programs and in-service training activities.

The 1984 Amendments directed the Secretary to document rehabilitation manpower shortages in the annual budget request to the Congress and report on how the request for training funds is related to the documented personnel shortages. As of the date this Committee report was filed, the reprot has not been received.

Additional programs authorized under part A of title III

The Commissioner is also authorized under part A of title III of the Act to award grants and enter into contracts to improve the quality of buildings used to provide rehabilitation services to handicapped individuals and to provide resources for planning for the initial staffing of the facility's programs. No funds have been appropriated for this program since 1978.

Title III of the Act also authorizes Vocational Training Services Projects which are designed to train individuals with handicaps, especially those with the most severe handicaps, in occupational skills within a rehabilitation facility. No funds have been appropriated since FY1979.

For the purposes of assisting and encouraging the provision of rehabilitation facilities, title III also authorizes the Commissioner to guarantee the payment of principal and interest on loans made to non-profit private entities. No funds have ever been appropriated for the loan guarantee program.

The authority to establish Comprehensive Rehabilitation Centers was included in 1978 Amendments to provide for the creation of facilities to offer a broad range of services to persons with disabilities, including information and referral, counseling, education, job, training and placement as well as social and recreational services. These Centers are authorized to provide technical assistance to local government units and to public and private nonprofit organizations planning to develop and expand services for disabled individuals and to provide coordination at the community level for Federal funds for services offered through these facilities. No funds have been appropriated for this program since FY1981.

Special demonstration programs

Part B of title III of the Act authorizes the Commissioner to make grants to pay part or all of the costs of special projects and demonstrations devoted to the expansion and improvement of rehabilitation services for disabled individuals, especially those with the most severe handicaps who can benefit from comprehensive services. It also makes grants for applying new types or patterns of services or devices for handicapped individuals and for making recreational facilities accessible for individuals with handicaps. Emphasis is placed on funding projects which can be replicated in all States.

In FY1985, $20.2 million was appropriated, $5 million of which funded a Spinal Cord Program administered by NIHR and $9.635 million funded 10 new and 46 continuing projects. Of the $4.36 million available for these new projects, $500,000 was earmarked by Congress for the Special Olympics; the remaining funds were used to support all or part of nine supported employment projects. In FY1986, Congress appropriated $20.2 million. Under the Deficit Control Act, $868,600 was sequestered. Thus, the revised appropriation for FY1986 is $19.332 million.

Migratory workers

Part B of title III of the Act also authorizes grants to pay part of the cost of projects to provide vocational rehabilitation services for handicapped migratory, agricultural, and seasonal farmworkers. Projects may also meet maintenance and transportation expenses of members of workers' families when such services contribute to the rehabilitation of the agricultural workers.

During FY1985, $950,000 was appropriated for the continuation of seven projects and four new projects. An estimated 3,000 handicapped migrant and seasonal workers were rehabilitated in FY1984 and the same number in FY1985. In FY1986, Congress appropriated $1 million. Under the Deficit Control Act, $43,000 was sequestered. Thus, the revised FY1986 appropriation is $957,000.

Services for the blind and interpreter services for the deaf

Part B of the title III of the Act authorizes the Commissioner to award grants to States to provide reader services for the blind and interpreter services for the deaf. No funds have ever been appropriated for this purpose.

Special recreational services

The recreational needs of individuals with disabilities are also recognized in part B of title III of the Act. Section 316 of the Act authorizes the awarding of grants to establish recreation programs to aid in the mobility and socialization of persons with disabilities. Activities authorized may include but are not limited to: camping, dancing, sports, music, scouting, homemaking and handicrafts.

Provisions under the Act specify that existing resources be used whenever possible, thereby encouraging the integration of persons with disabilities into established recreational programs.

In FY1985, $2.1 million was obligated for 30 projects throughout the country. In FY1986, Congress appropriated $2.2 million. Under the Deficit Control Act, $94,600 was sequestered. Thus, the revised appropriation for FY1986 is $2.105 million.

Another program, established under section 311 of the Act, provides for the construction and renovation of recreational facilities which will be accessible to handicapped individuals. In FY1981, the last year this program was funded, $1 million was divided among 8 projects.

NATIONAL COUNCIL ON THE HANDICAPPED (TITLE IV OF THE ACT)

The National Council on the Handicapped, previously placed within the Department of Education, was provided independent status within the Federal government by the 1984 Amendments. The 15 member Council, appointed by the President, is charged with reviewing all laws, policies, and programs of Federal departments and agencies affecting individuals with handicaps, including all activities conducted or assisted by Federal laws. It is also directed to establish general policies for and review the operation of the National Institute of Handicapped Research.

The 1984 Amendments directed the Council to submit a special report to Congress by February 1, 1986 which must: (1) review all statutes pertaining to Federal programs which assist individuals with handicaps; (2) make a priority listing of such programs based on the number of individuals assisted and the Federal costs of the program; (3) assess incentives or disincentives to the establishment of community-based services for individuals with handicaps and the integration of individuals with handicaps in the community; and (4) recommend to the President and the Congress legislative proposals for increasing incentives and eliminating disincentives.

The Council report, submitted on Febuary 1, 1986, presents its findings and makes legislative recommendations, based on a review of Federal laws and programs. The report includes a description and list of 45 Federal programs serving individuals with disabilities and ranks them according to expenditures and estimated number of persons served. From an analysis of this information, the Council draws three general conclusions: (1) approximately two-thirds of working-age persons with disabilities do not receive Social Security or other public assistance income; (2) Federal disability programs reflect an overemphasis on income support and an underemphasis on initiatives for equal opportunity, independence, prevention and self-sufficiency; and (3) more emphasis should be given to Federal programs encouraging and assisting private sector efforts to promote opportunities and independence for individuals with disabilities.

MISCELLANEOUS (TITLE V OF THE ACT)

Employment of handicapped individuals

Section 501 of the Act requires Federal departments and agencies to submit an annual affirmative action plan to the Equal Employment Opportunity Commission (EEOC) and the Interagency Committee on Handicapped Employees and requires an annual report to Congress.

In 1985, 95 out of 101 affirmative action program plans, plan updates, and FY 1984 progress reports on hiring, placement and advancement of individuals with handicaps were reviewed and evaluated by EEOC. Plans and reports were not received from six agencies.

Architectural and Transportation Barriers Compliance Board

Section 502 of the Act establishes the Architectural and Transportation Barriers Compliance to ensure compliance with the standards set forth in the Architectural Barriers Act of 1968. The Board establishes minimum guidelines to ensure consistent national standards for accessibility in buildings designed, constructed, or altered with Federal funds, as well as those leased for Federal purposes.

The Board also investigates alternative approaches to architectual, transportation, communications, and attitudinal barriers and is responsible for assessing the measures taken by Federal, State, and local governments and other agencies to eliminate barriers. It also provides technical assistance to these agencies and makes recommendations to Congress and the Administration regarding barrier removal.

The Board is composed of representatives of 11 Federal agencies and 11 members appointed by the President from among the general public, five of whom are to be individuals with handicaps. The Executive Director of the Board may bring a civil action in any U.S. District Court to enforce any final order of the Board.

During 1985, the Board received 249 complaints, a 6.5 percent increase over FY1984. This brings to 1,427 the number of complaints the Board has processed since 1977. Of these, 1,151 have been closed and 28 are awaiting resolution of litigation concerning coverage of leased buildings. The remaining 248 cases are still under investigation.

Of the 1,151 closed complaints, corrective action was taken in 425 cases or 37 percent. Of the remaining closed cases, 672 or 58 percent were closed for lack of jurisdiction.

Employment under Federal contracts

Section 503 of the Act requires that any procurement contract or subcontract over $2,500 entered into any Federal department or agency must contain an affirmative action clause regarding employment of persons with handicaps. Responsibility for implementing section 503 has been delegated to the Director of the Office of

Federal Contract Compliance Programs, Department of Labor (OFCCP).

Equal employment opportunity and affirmative action requirements for contract compliance cover all aspects of employment, including recruitment, hiring, training, seniority, promotion, and fringe benefits. Complaints from individuals and by organizations on behalf of individuals may be filed with OFCCP.

During FY1984, the OFCCP investigated 721 complaints. One-hundred ninety-four individuals received cash benefits. Cash benefit agreements amounted to $2,230,250, including backpay of $1,117,586. Financial benefit agreements amounted to $250,252.

Nondiscrimination under Federal grants and programs

Section 504 of the Act prohibits discrimination against otherwise qualified individuals with handicaps solely by reasons of their handicap in any program or activity that receives Federal financial assistance or under a program conducted by an Executive agency or by the U.S. Postal Service. The applicability of Section 504 to Federally conducted programs was added in 1978.

As of March 1, 1986, regulations applicable to recipients of Federal financial assistance have been issued by all affected agencies or departments, with the exception of the Department of Housing and Urban Development.

The Federal Public Transportation Act of 1982, P.L. 97-424 requires that the Department of Transportation—in carrying out section 504, section 165(b) of the Federal-Aid Highway Act of 1973, and section 16 of the Urban Mass Transit Act—establish minimum criteria for transportation services for people with disabilities and ensure adequate participation by such persons.

The Act, which was signed on January 6, 1983, also requires that DOT issue a notice of proposed rulemaking within 90 days of the date of enactment and adopt a final rule within 180 days. A notice was published on September 8, 1983 but no final regulations have yet been issued. Currently, the Department is under a court order compelling them to issue final regulations as expeditiously as possible.

The 1978 Amendments directed that the head of each agency "shall promulgate such regulations as may be necessary to carry out the amendments to this section made by the Rehabilitation, Comprehensive Services, and Developmental Disabilities Act of 1978" (under which the Federally conducted provision was added). Out of more than 90 agencies or departments, only 24 have issued final regulations for Federally conducted programs. Thirty-two have issued proposed regulations.

Interagency Coordinating Council

Section 507 establishes an Interagency Coordinating Council with responsibility for developing and implementing policies and practices to coordinate enforcement of the provisions of Title V. The Chairperson is the Assistant Attorney General for Civil Rights. Other agencies represented on the Council are the Departments of Labor, Education, and Health and Human Services; the Office of Personnel Management; the Architectural and Transportation Barriers Compliance Board; and the Equal Employment Opportunity Commission.

EMPLOYMENT OPPORTUNITIES FOR HANDICAPPED INDIVIDUALS (TITLE VI OF THE ACT)

Projects with industry

Title VI of the Act authorizes the Commissioner of RSA, in consultation with the Secretaries of Labor and Commerce, to enter into contracts and jointly finance cooperative employment agreements on behalf of individuals with handicaps. Projects With Industry (PWI) involves labor unions, trade associations, private foundations and voluntary agencies in a partnership with persons in the rehabilitation field to create and expand job opportunities for individuals with handicaps.

Projects provide these individuals training and employment in a realistic work setting in order to prepare them for employment in the competitive market. Individuals placed in employment must receive at least applicable minimum wage.

RSA reports indicate that in FY 1984 approximately 14,000 individuals, mostly those with severe handicaps, received services, and approximately 12,000 were placed in jobs in the competitive labor market at salaries comparable to those paid nonhandicapped employees. In FY 1985, 98 continuation projects were funded, involving more than 3500 businesses, corporations, unions, and other organizations.

Federal funds appropriated for PWI in FY 1985 were $14.4 million. Appropriations for FY1986 are $15.2 million. Under the Deficit Control Act, $653,600 was sequestered. Thus, the revised FY1986 appropriation is $14.547 million.

Examples of PWI projects include: a training program for individuals with severe handicaps for jobs in data processing and computer technology; a program arranging for placement of individuals in the electronics industry; and a program training people for jobs in union-related firms.

Existing PWI projects are operating under a statutory extension of project period through September 30, 1986. The 1984 Amendments specify that assistance to PWI grantees in FY1986 be limited to those grantees receiving assistance in FY1985. The effect of this provision has been to preclude any new projects since FY1983. According to RSA, a competition for new awards is planned for FY1987.

The 1984 Amendments directed RSA to develop and promulgate a set of program standards for individual PWI projects and for a national evaluation, based on standards developed with recommendations from the various organizations involved with the projects, including individuals with handicaps, and approved by the National Council on the Handicapped. The program standards were developed and promulgated in 1985.

The national program evaluation was submitted to Congress in February, 1986. The report indicates that PWI projects have generally been successful in their efforts to help persons with disabilities obtain competitive work. During the evaluation period, 1983–84, over 16,000 persons received services. Participants were likely to be severely disabled and unlikely to have had any education beyond high school. They tended to have been unemployed, probably for at least six months and were not receiving other disability related benefits. Roughly one-fourth of all participants were mentally ill; 18 percent were orthopedically impaired; and 15 percent mentally retarded.

Approximately half the persons participating in PWI projects, at least 8,400, obtained competitive jobs. The jobs were likely to be in a service, clerical, or sales occupation. Earnings following participation were approximately $171 a week, a net increase of approximately $150 a week over average weekly earnings at entry. In terms of program costs, the average cost per placement was $1,128. Placements achieved in project years 1983–84 resulted in a total gain in earned income of $1.263 million per week.

There appears to be a high level of satisfaction with the program among employers. In a survey of those participating, virtually all indicated a willingness to hire additional participants.

Community service employment pilot programs for individuals with handicaps

Under Title VI, the Secretary of Labor is authorized to establish a community service employment pilot program. Program projects are to promote useful opportunities in community service activities for individuals who are handicapped and who have poor employment prospects. Funds have never been appropriated for this program.

Business opportunities for individuals with handicaps

Under Title VI, the Commissioner of RSA, in consultation with the Secretaries of Labor and Commerce, may make grants to, or enter into contracts with, individuals with handicaps to help them establish or operate commercial or other enterprises to develop or market their products or services. Funds have never been appropriated for this program.

COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING (TITLE VII OF THE ACT)

Title VII of the Rehabilitation Act authorizes several different approaches to promoting services to handicapped individuals whose impairments are so severe that they do not presently have the potential for employment but may benefit from rehabilitation services which will enable them to live and function independently.

Comprehensive services

Part A of this title authorizes a formula grant program to support a Statewide comprehensive service delivery system for independent living. Comprehensive services means appropriate vocational rehabilitation service (as defined under title I of the Act) and any other service that will enhance the ability of an individual with handicaps to live independently and function within his or her family and community and, if appropriate, secure and maintain appropriate employment.

It was funded for the first time in FY 1985 in the amount of $5 million. The FY 1986 appropriation is $1 million. Under the Deficit Control Act, $473,000 was sequestered. Thus, the revised FY 1986 appropriation is $10.527 million.

Centers for independent living

Part B creates Federally administered model and demonstration centers through discretionary grants to State rehabilitation agencies. Centers provide a wide range of services to severely disabled individuals, such as peer counseling, advocacy regarding legal and economic rights and benefits, training in personal care skills, special programs for the deaf and blind, housing and transportation assistance, health maintenance, attendant care and other services supportive to independent living. The Centers also undertake community activities, such as the development of surveys and directories to identify accessible housing and transportation as well as other support services.

The 1984 Amendments required that all grantees funded in FY 1981 and FY 1982 continue to receive funding through September 30, 1986. In FY 1985 for the first time since FY 1982, competition among existing Centers for new projects was held by the Department. This was because the Department was appropriated additional funds to support an expansion of the Centers program.

The two announced priorities under this competition were (1) to expand services to additional groups of disabled persons, and (2) to provide transitional services for disabled persons leaving school or institutions to prepare them for community living. A total of 109 eligible applications were received and evaluated through peer review. Approximately $1.9 million was awarded to 20 projects under priority one and 19 projects under priority two. All new projects were approved for 12 months. In total, approximately $20.1 million was awarded to 86 grantees, sponsoring 160 programs.

Currently, there is at least one Center is each of the 50 states, Puerto Rico, the Virgin Islands, and American Samoa. These Centers assist approximately 20,000 individuals with severe disabilities on an annual basis. The FY 1986 appropriation was $23 million. Under the Deficit Control Act, $989,000 was sequestered. Thus, the revised FY 1986 appropriation is $22.011 million.

The 1984 Amendments also require that standards for the evaluations of Center programs be developed and that an evaluation be conducted. The standards, developed under a contract with RSA, were approved by the National Council. However, they have not as yet been adopted by the Department. The national evaluation of the Centers mandated by the 1984 Amendments was to be submitted by February 1, 1986. As of the date this report was filed, it has not been received.

Independent living services for older blind individuals

Part C authorizes grants to State rehabilitations agencies to assist older blind persons to become more able to care for their individual needs. For the first time since its inclusion in the Act, $5 million was appropriated for FY 1986. Under the Deficit Control Act, $215,000 was sequestered. Thus, the revised FY 1986 appropriation is $4.785 million.

Protection and advocacy of individual rights

Under part D of title VII, the Commissioner is authorized to make grants to States to establish systems to protect and advocate the rights of individuals with severe handicaps receiving services under this title. These systems must have the authority to pursue legal, administrative, and other remedies to insure the protection of the rights of these individuals within the state. No funds have been appropriated for this program.

HELEN KELLER CENTER

The Helen Keller Center for Deaf-Blind Youths and Adults, prevously authorized under the Rehabilitation Act of 1973, has been provided separate statutory authority as a special institution within the Department of Education by the 1984 Amendments to the the Rehabilitation Act.

The Center provides specialized, intensive services needed to rehabilitate individuals who are blind and deaf. It also provides training for professional personnel who staff facilities designed to provide such rehabilitation and conducts research on problems of rehabilitating deaf-blind individuals.

In FY 1985, Congress appropriated $4.2 million; in FY 1986, $4.3 million. Under the deficit Control Act, $184.900 was sequestered. Thus, the revised FY 1986 appropriation is $4.115 million.

Explanation of H.R. 4021

AUTHORIZATION OF APPROPRIATIONS

The bill reauthorizes the Act for five additional years, through September 30, 1991. Under the bill, the FY 1987 level of appropriations authorized for the basic State grant is $1,301,862,400 which represents an increase of about $98.7 million (8.2 percent) over the ceiling for FY 1986 Subsequent year authorizations of appropriations for the basic State grant are determined under section 100(c) of the Act. Subsequent year authorizations of appropriations for all other programs under the Act are set at such sums as may be necessary to carry out the proposes of the programs.

The Committee recognizes the importance of the State-Federal program of vocational rehabilitation as representing a true partnership in serving and rehabilitating individuals with handicaps. The Committee also notes that the percentage and number of persons with severe disabilities among those rehabilitated continues to rise each year. However, the numbers of both severely and non-severely disabled persons being served is continuing its steady decline. The total number of persons rehabilitated decreased in 8 of 9 years between 1974 and 1983. In 1984 the number increased 4.4 percent and in 1985 a .08 percent increase was noted.

Recent appropriation levels have not kept pace with inflation and have not taken into account the increased expense of rehabilitating individuals with severe handicaps as well as the effects of substantial cuts in the Social Security Trust Fund sources. This latter program provides payments for the cost of vocational rehabilitation services to disabled beneficiaries receiving Supplemental Security Income and Social Security Disability Insurance.

Because the basic State grant program has a well documented cost-benefit ratio, the Committee believes it must receive adequate funding. In its Budget proposal for FY1987, the Committee recommends that this program receive funding above the level of current services. The Committee reinforces this belief in adequate funding for Rehabilitation by including the FY1987 authorization level for the basic State grant of $1.302 billion.

REHABILITATION SERVICES ADMINISTRATION

Currently, the Commissioner of the Rehabilitation Services Administration (RSA), the Director of the National Institute of Handicapped Research (NIHR), and the Director of the Office of Special Education Programs (SEP) report directly to the Assistant Secretary for Special Education and Rehabilitative Services, a Presidential appointee. However, only the Director of SEP is appointed by the Secretary; the other two persons are appointed by the President.

The bill provides that the Commissioner of RSA and the Director of the NIHR shall be appointed by the Secretary instead of by the President. These changes will become effective upon a vacancy in the positions. In addition, the bill specifies the compensation rate for the Commissioner and the Director and specifies that the Commissioner must be an individual with substantial experience in rehabilitation and in rehabilitation program management.

These changes will make the appointment of the Commissioner of RSA and the Director NIHR comport with current policy regarding the appointment of the Director of SEP, thereby placing all three persons on equal footing.

These changes will also contribute to the efficiency and effectiveness of RSA and the NIHR. They will ensure strong, effective, and competent leadership by experienced professionals.

With respect to RSA, the Committee heard from witnesses that there were problems in the current leadership of RSA. According to one witness:

> The program knowledge basically has gone. There is a lot of program knowledge in the regional office, a tremendous amount of program knowledge. And I can use Dallas, my region, as well as any of them, but all across the country it is strong. It has been almost impossible to access them, as I have already said. And there are some good people in RSA, in this less-restricted RSA right now. But the top leadership is gone in RSA. It is not there. We are not getting leadership from them. (Hearing Record, Subcommittee on Select Education, July 17, 1985).

This bill contains numerous significant changes to the existing legal framework. It is the Committe's intent that the promulgation of regulations implementing these changes occur only after close consultation with all affected parties.

MATCHING

For the past 21 years, Federal legislation providing basic assistance to States for rehabilitation of individuals with handicaps has included a matching requirement under which the State's share has been set at 20 percent and conversely the maximum or upper limit of program costs to be borne by the Federal government has been set at 80 percent.

The Committee believes that the State's commitment to this important program should be increased to 25 percent (thereby reducing the Federal share to 75 percent). The basic State grant program contributes significantly to the economic and individual well-being of the citizens of the States. It is a cost-effective program which according to most estimates return $10 of income to the Government for every one dollar that is expended.

In response to testimony by State witnesses, the effective date of this change is postponed until FY1989 to allow States time to incorporate the change into their budget process, especially in those States that adopt biennial budgets.

In addition, section 110(b)(2) of the Act is amended by changing the percentage from 80 to 75.

DEFINITIONS

The term "handicapped individual" is changed to "individual with handicaps." This change was suggested by persons representing individuals with disabilities who testified before the Subcommittee that by retaining the adjective "handicapped" before the noun "person" the legislation might be inadvertently adding to the stereotype that persons with handicaps are less worthy.

In addition, this section amends the definition of the term "severely handicapped" by including and updating the definitions applicable to title I–IV and VI and title VII contained in the current regulations (34 CFR 361.1 and 366.4). The amendment explictly recognizes autism, burn injury, and head injury as handicaps and adds interpersonal skills to the list of functional capacities presently set out in the regulations.

Additionally, the qualifying phrase "or combination of such units or organizations" to the term "Indian tribe" is deleted. Further, the term "public or nonprofit agency or organization" is amended to include an Indian tribe; and the term "Indian," "American Indian," "Indian American" and "Indian tribe" are defined. The Committee wishes to make it clear that a Tribe may designate a tribal department or tribal group to operate a grant.

REPORTS

Currently, the Annual Report prepared by the Commissioner of RSA is sent to the President for transmittal to Congress. Section 103 of the bill amends section 13 of the Act to require that the Commissioner submit the Annual Report to the President and to the Congress at the same time. The Committee believes that it is more efficient for the Agency's Annual Report to go simultaneously to the President and the Congress.

In addition, the bill requires that this Report include information on the activities and staffing of the Office of Information and Resources for Handicapped Persons. This change reflects the importance the Committee attaches to the activities of the Office of Information and Resources for Handicapped Persons. The Committee would especially like to know what is being done to ensure that consumers are aware of the Office and its purposes.

Finally, this Report would be required to include an evaluation of the status of individuals with severe handicaps participating in programs under this Act. The Committee is concerned that some States are still not meeting the needs of individuals with the most severe handicaps. This problem is discussed more fully in subsequent sections of the Report.

EVALUATION

Section 104 of the bill amends section 14 of the Act to require that the evaluations by the Secretary include the standards used in the evaluation. This language is added to improve and enhance the accountability of the program and help ensure that the evaluations conducted by the Secretary use standards that will allow comparability across evaluations. The Committee believes that by requiring the inclusion of the standards used to conduct the evaluation, users of the evaluation data will be better able to make informed decisions on the basis of the data presented.

For each of the last three fiscal years, Congress has only appropriated $2 million for evaluation of programs authorized by the Act. Because of the importance of the program evaluation and the limited funds available, it is imperative that the limits placed by Congress on the scope of evaluations performed under section 14 of the Act be strictly adhered to by the Secretary.

Thus, evaluations must be limited to the impact of programs authorized by the Act, their general effectiveness in achieving stated goals and their effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including where appropriate, comparisons with appropriate control groups composed of persons who have not participated in rehabilitation programs defined under this Act.

STATE ADMINISTRATION

The Committee heard from witnesses that it was difficult at times to determine clear lines of responsibility (Federal versus State) for the issuance and enforcement of policies governing rehabilitation. Therefore, similar to policies included in the Carl D. Perkins Vocational Educational Act, section 105 of the bill adds a new section 17 to the Act requiring a State to designate its policies as State policies affecting rehabilitation management and operations.

REPORT ON INDIRECT COSTS

The Subcommittee heard testimony that where Rehabilitation is part of an umbrella agency providing other human services (e.g., Employment, Health, etc.) some of these umbrella agencies are charging unnecessarily high indirect cost rates for rehabilitation services they provide. In States where similar agencies are not combined under an umbrella agency format, the other agencies typically provide services for Rehabilitation clients similar to services they provide for other eligible citizens.

Consequently, section 106 of the bill directs the Secretary to study this issue and make recommendations as to a reasonable solution. Further, the Committee has been made aware that some States may be utilizing funds from programs such as workers' compensation to meet or help meet their matching requirements. The Committee would also like the Secretary to investigate this issue and make recommendations as to an appropriate policy for ensuring equitable treatment among the States.

STATE PLANS

Section 202 of the bill amends the State plan provision in section 101 of the Act in nine ways. First, it adds a provision requiring that the State plan include the results of a comprehensive, Statewide assessment of the rehabilitation needs of all individuals with severe handicaps residing within the State and the State's response to the assessment.

This provision is included in response to concerns raised by witnesses that not all groups of disabled persons are currently receiving adequate services under title I of the Act. It is the intent of the Committee that this comprehensive needs assessment concern itself with the needs of groups of persons with handicaps rather than with the needs of particular individuals within the State's borders. Further, it is the Committee's intent that the State include the findings of the assessment in its plan.

It is expected that this assessment will result in the provision of more adequate services to persons within each group. It is not the intent of this provision that the findings of this assessment be used as a basis for choosing to serve one group of individuals with handicaps over another group.

Additionally, the Committee notes that some witnesses pointed to problems with the appropriateness and adequacy of many of the services currently provided to chronically mentally ill (CMI) individuals. They reported high failure rates of CMI clients who are accepted for rehabilitation. These witnesses pointed out that in the past twenty years or so there has been a growth of a network of agencies designed specifically to meet the rehabilitation needs of individuals with chronic mental illness.

These agencies, termed psychosocial rehabilitation facilities, may provide services in an appropriate environment and most importantly may link vocational rehabilitation with other supportive mental health services in a way that will increase the success rate of the vocational rehabilitation services. The Committee encourages the States to utilize psychosocial rehabilitation facilities when such use would be considered appropriate.

The Committee is concerned that some State agencies are placing absolute limits on the length of time individuals (such as individuals who are chronically mentally ill or developmentally disabled) may receive certain rehabilitation services. Although the establishment of guidelines regarding the length of time a person receives services is appropriate, section 504 of the Act would prohibit a State from setting absolute time limits without taking into consideration the unique needs of the otherwise qualified handicapped individual, based on his or her handicap.

Second, a change is made regarding the policy for selecting individuals for service. Current law requires States to show the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, which order of selection must be determined on the basis of serving first those individuals with the most severe handicaps and must be consistent with priorities in such order of selection.

A requirement is added that the State justify the order of selection of individuals with handicaps for receipt of services when the State lacks funds to serve all those eligible for services. The Committee intends by this additional language to require that States justify their decisions regarding this prioritization and that this decision be a matter of public record.

The current regulations include a section (34 CFR 361.36(b) (1985)) that is inconsistent with this amendment and the current Act and therefore should be modified. This section of the regulations states that "the State plan must assure that those groups of individuals with the most severe handicaps are selected for service before any other groups of handicapped individuals." This section is inconsistent with the Act because it focuses on "groups" rather than on "individuals".

Third, the bill requires that the State plan describe how rehabilitation engineering services will be utilized to provide assistance to individuals with severe disabilities. In this highly technological age, there are almost infinite opportunities to reduce the limitations of individuals with disabilities; permitting a level of productivity that could not even be conceived of ten years ago.

Rehabilitation engineering services can dramatically improve the employment potential of people with disabilities. The Committee believes that rehabilitation engineering services should be appropriately incorporated into the full spectrum of rehabilitation services. A substantial commitment on the part of the vocational rehabilitation system is required to train rehabilitation personnel, provide expert advice and promote research in the benefits and application of rehabilitation engineering.

Fourth, the term "qualified" is added before the term "personnel" so that the State plan contains information about qualified personnel. In the previous reauthorization, the Act was amended to require the training of qualified personnel so that States would be able to improve the quality of services provided to persons with handicaps.

This new language is intended to reflect this earlier requirement. States are expected to show in their State plan how such training has led to increased numbers of qualified personnel. Additionally, the Committee heard in hearings about the serious need to improve the credentials of rehabilitation personnel. The Committee expects that by adding this language, the States will move toward ensuring that personnel who provide rehabilitation services, as defined under this Act, possess the appropriate levels of training and credentials.

Fifth, the "payor of last resort" provision in existing law is strengthened. Sixth, "as appropriate" the State must "actively" consult with Indian tribes and native Hawaiian organizations in the development of the State plan. The term "as appropriate" is used to recognize the fact that not all States have Indian tribes within their borders. Consultation should include the governing bodies of Indian Tribes, Inter-tribal organizations and tribal organizations particularly concerned with the problems of the handicapped.

Seventh, the bill requires that in the formulation of the State plan and any revisions thereto, that the State conduct public meetings, allow for public comment, and include a copy of the comments and the State agency's response.

Current law requires the State agency "take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups . . . who are recipients of vocational rehabilitation services . . ., personnel working in the field of rehabilitation, and providers of vocational rehabilitation services". The Committee believes it is important that individuals, groups, and organizations have access, through public forums, to helping to shape their State's plan, and not only to comment on the implications of proposed or changing policy. The Committee also believes that this provision will make the State planning process more efficient.

Eighth, the bill adds "community mental health programs" to the list of agencies with whom the State agency administering the basic State grant program under title I of the Act may enter into a cooperative agreement.

Finally, the bill adds a requirement that the State plan contain the plans, policies, and methods to be followed to assist in the transition from education to employment related activities. The Committee adds this requirement in order to ensure that the States' rehabilitation and education systems work closely together in planning and implementing policies that will effect a smooth transition.

The Committee encourages rehabilitation systems to assist local educational agencies develop appropriate components of a handicapped youth's individualized education program and to identify and work with education personnel before the individual leaves the school system.

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

Section 203 of the bill amends the eligibility review procedures under section 102 of the Act to provide an opportunity for the submission of additional evidence and information relevant to a final decision by the Director. The final decision must include a full report of the findings and the grounds for such decision. A copy must be provided to the affected individuals. This action is taken to increase the opportunity rehabilitation clients or applicants for services have to ensure their eligibility for services under the Act.

This section of the bill also amends section 102 of the Act to require that the individualized written rehabilitation program include long-range rehabilitation goals based on an assessment determined through an evaluation of rehabilitation potential for the individual. The Committee intends that such an assessment be based upon the individual's documented level of current functioning.

This section also authorizes a fair hearing board established by a State prior to January 1, 1986 and authorized under State law to review eligibility determinations, which under current law may be carried out only by the Director.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

Section 204 of the bill amends section 103 of the Act (evaluation of rehabilitation potential) by including examination, where appropriate, by personnel skilled in rehabilitation technology for purposes of ascertaining rehabilitation potential.

Language is also added to encourage the use of rehabilitation engineering services. The Committee heard testimony about the success of melding engineering and rehabilitation service delivery. Rehabilitation engineering services have been defined as the application of engineering to "improve the quality of life of the physically handicapped through a total approach to rehabilitation combining medicine, engineering, and related services." It also refers to the "provision of physical devices or the adaptation of the physical environment to enable physically handicapped persons to perform everyday activities in a workplace, in an educational setting, or in a home or other place of residence" (Testimony of Dr. Sheldon Simon, Harvard/MIT's Gait Analysis Laboratory, June 25, 1985).

This section also makes more specific the requirement pertaining to the provision of postemployment services. The Committee recognizes the importance of providing adequate services to ensure that rehabilitants retain their placements or, if needed, obtain a different placement. While the Committee intends that the rehabilitation system take all feasible steps to ensure the successful employment of its clients and that decisions be based on individual needs, the Committee also intends that the provisions of such services be timebound and not provided on an unlimited basis.

NON-FEDERAL SHARE OF CONSTRUCTION

Section 205 of the bill amends section 104 of the Act by extending the non-federal share for construction to Part D, programs for Indian tribes.

REALLOCATION OF STATE ALLOTMENTS

The Committee is concerned that some funds provided under the Act are being returned to the Treasury because they are not reallocated in time to ensure their distribution to States that could use the funds to meet the needs of additional eligible but unserved individuals with handicaps. There Federal funds include those for which the State is unable to satify the match requirement as well as funds which meet the matching requirement but which will not be expended within the fiscal year.

For this reason, Section 206 of the bill amends section 110 of the Act to require that the Commissioner, no later than 45 days before the end of the fiscal year, determine which States will not be able to use their full allotment under section 111(a) and to reallocate these monies to States that can use the funds. To ensure that States receiving these reallocated dollars at the close of a fiscal year do not spend the money unwisely, due to the brevity of time remaining in the fiscal year of reallocation, the States may use this money to pay for initial expenses during the subsequent fiscal year.

FUNDS FOR AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

Section 207 of the bill amends section 110 of the Act to entitle Indian tribes to at least one-quarter of 1 percent but no more than 1 percent from the basic State grant to be used to fund programs under part D of title I. This bill will provide for stable funding for Indian Tribes similar to States. It is the intent of the Committee that the same protection contained within the Deficit Control Act applicable to States also apply to Indian grantees.

MAINTENANCE OF EFFORT

Since 1973, States have been required to maintain at least their 1972 level of support for rehabilitation. Consequently, States which have overmatched i.e., provided more than the 20 percent minimum, have been required to maintain an effort at least equal to their 1972 overall contribution. This has resulted in an important source of support for rehabilitation programs.

Unfortunately, in recent years, a number of States have begun to reduce their support for this important program. A recent analysis prepared for the Subcommittee by the Congressional Research Service found that for the majority of States and Territories, FY1984 expenditures were lower than each State's 10-year constant dollar average. Only in 13 States and Territories was the FY1984 figure higher than this 10-year constant dollar average.

Section 208 of the bill amends section 111 of the Act to strengthen the maintenance of effort provision. Under the bill, the Commissioner must reduce the amount which the State is eligible to receive under title I of the Act by the amount by which expenditures from non-Federal sources under the State plan during such year are less than the average of the total expenditures under the State plan for the three preceding fiscal years.

The bill also authorizes the Commissioner to waive or modify the maintenance of effort requirement when such a waiver or modification would be equitable due to exceptional or uncontrollable circumstances occuring within the State. Such circumstances may include a major natural disaster or a serious economic downturn affecting the State as a whole.

These changes to the maintenance of effort provision require a technical change to section 110(b)(2) of the Act under which a State qualifies for additional assistance if it meets certain criteria. Under this section, if the State's Federal allotment under section 110(a) is less than an 80 percent share, as a result of the State's meeting the requirement in section 111(a) that it maintain its effort at 1972 levels, then the State is entitled to an additional special payment equal to the difference between its regular section 110(a) allotment and the 80 percent share.

Because the bill changes the maintenance of effort standard from the 1972 level to the average of the previous three fiscal years, absent a change to section 110(b)(2) of the Act the result would be to change the criteria under which a State qualifies for additional assistance under such section. In order to maintain the criteria in the current law, the bill severs the link between the updated maintenance of effort provision and the special allotment and includes in section 110(b)(2) of the Act the reference to a State's 1972 level of effort.

CLIENT ASSISTANCE PROGRAM

Section 209 of the bill amends section 112 of the Act to specify that the Governor, after the date of enactment, may remove a Client Assistance Program Agency only for "good cause". The term "good cause" includes the removal of a CAP agency after a determination has been made that a recipient failed to comply substantially with a requirement applicable to the Federal funds received by the agency, such as the misuse or misappropriation of such Federal funds. Of course, any redesignation of a CAP agency must be to an independent agency, as set forth in section 112(c)(1) of the Act.

The term "good cause" does not include the effective fulfillment of the mandate in the Act to pursue legal, administrative, and other appropriate remedies to ensure the protection of rights of handicapped individuals who are receiving treatments, services, or rehabilitation under the Act within the State.

The bill also permits the Commissioner to raise the minimum allotment for CAP agencies when appropriations for CAP agencies exceed funds appropriated for such agencies for the preceding fiscal year by more than the percentage increase in the Consumer Price Index for All Urban Consumers. In so doing, however, the Committee does not intend that any State receive a decrease in its allotment under this section.

Further, the bill directs the Secretary to pay the CAP agency directly the amount approved in its application except as specifically prohibited by or as otherwise provided in a State law.

AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES GRANTS

Section 211 of the bill amends section 130 of the Act by setting the match for the Indian Rehabilitation program at 90:10; permitting the non-Federal share to be cash or in-kind; and authorizing the Commissioner to waive the match. It also directs the Secretary to give priority consideration to applications for the continuation of programs which have been previously funded.

The bill also allows a consortia of Indian Tribal governing bodies to receive grants. In some areas of the country, it may be more feasible and cost-efficient for several Tribes to join together to provide vocational rehabilitation services. The Committee wants to make it clear that grants may only be made to a consortium of tribal governing bodies when each Tribe within the consortium has authorized the consortium to seek the grant on its behalf.

Many Indian Tribes have no resources. With 80–90 percent unemployment on many of this nation's Indian reservations and severe Federal budget cuts over the last several years, many Tribes have had to use whatever Tribal resources they have for taking care of basic needs of Tribal members. It is the intent of the Committee that the 10% requirement be waived when it can be demonstrated that the Tribe has no resources to contribute. In those cases where a Tribe is able to utilize in-kind contributions, the Committee wishes to make it clear that Tribal Trust funds and funds obtained through the Self-Determination Act are acceptable.

The incorporation of Native healing services into the rehabilitation process plays a vital role in the treatment of illness and disabilities among most Indian tribes. The bill specifies that these services may be utilized in providing vocational rehabilitation.

The bill also provides, consistent with a provision in existing law applicable to States, that an application approved shall be effective for not less than twelve months or more than 36 months.

The bill also deletes a cumbersome provision of existing law that provides for the State's allocation to be reduced if an Indian Tribe within that State receives a grant. The precedent within other Federal statutes regarding Indian entitlements is that this is in addition to any other services that are available to the States for all of the residents within the State. It is the intent of the Committee that the State continue to serve all of its residents.

In demonstrating that the rehabilitation services that a Tribe will provide is comparable to rehabilitation services provided to other handicapped individuals in the State, an Indian Tribe may include those services which it receives from the State program. As a part of the mandated consultation process, the Tribal governing body and the States should clarify areas of primary responsibility for each program, referral procedures to be employed, and other matters necessary to assure that handicapped tribal members will have equal access to services.

The Committee further intends that no State services be denied to a member of a tribe which operates a tribal program. Not all tribal members reside in areas where there is easy access to a tribally operated program. And not all tribally operated programs may be able to provide a full range of vocational rehabilitation services. The Committee intends that Tribes be eligible to seek funding for supplemental programs for which State vocational rehabilitation programs are eligible, including funding for staff training, independent living, and advocacy services.

EVALUATION OF COOPERATIVE EFFORTS

Section 212 of the bill amends section 131 of the Act by requiring evaluation of cooperative efforts between Indian Rehabilitation Programs and other rehabilitation programs. The Committee intends that this evaluation determine not only if the tribally operated vocational rehabilitation program is cooperating with other programs but if the other programs are cooperating with the tribal program.

AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

Section 213 of the bill amends part D of title I of the Act by adding a new section which directs the Secretary to conduct a study of the special problems and needs of Indians with handicaps, both on and off the reservation. The need for such a study is indicated by the estimates by the Native American Research Training Center at Northern Arizona University that the overall incidence of disabling conditions among American Indians and Alaskan Natives may be as much as one and a half times greater than the rest of the American population. However, some data shows that disabled Native Americans are only 60 percent as likely (as compared to the general population) to be successfully rehabilitated. American Indians and Alaskan Natives are less likely to apply for rehabilitation services and if they do apply, less likely to be accepted.

NATIONAL RESEARCH INSTITUTE IN DISABILITY AND REHABILITATION

In addition to changing the name of the National Institute on Handicapped Research to the National Research Institute on Disability and Rehabilitation, Section 302 of the bill amends section 202 of the Act in a number of ways. First, it requires that the Director disseminate results of evaluations to Indian tribes and that representatives from the Bureau of Indian Affairs and the Indian Health Service be included on the interagency committee.

Second, section 302 of the bill amends section 202 of the Act to provide for the appointment of the Director by the Secretary instead of by the President and establish the rate of compensation. The reasons for this change are the same as those described earlier for the change in the appointment status of the Commissioner of RSA; namely, to facilitate efficient management of programs and activities.

Third, section 302 requires that the Director establish a Center for research and training concerning the delivery of rehabilitation services to rural areas. Data from a 1982 survey (Rural Rehabilitation: A State of the Art, Arkansas R & T Center, 1982) reveals that 8.5 million disabled persons live in nonmetropolitan or rural areas. Furthermore, these numbers are expected to increase due to recent changes in migration patterns in the United States. Data also show that the prevalence of disability in rural areas is 30 percent greater than in urban areas. However, the attention paid to the needs of this population seems to be disproportionately small. Out of the many hundreds of studies described in the 1985 NIHR Funded Research list, only about 7 have identifiable rural components.

The Committee is aware that there are needs unique to the rural disabled population. The most obvious are related to the general characteristics of rural areas: low population density, geographical isolation, limited or non-existent transportation, and shortage of health-care facilities. We know far too little. We have no comprehensive picture of the rural disabled or of the problems associated with the delivery of services to rural areas. The Committee believes that a Research and Training Center that focuses on the problems of rural rehabilitation is needed.

Fourth, the Director is required to make grants to institutions of higher education for the training of researchers in the field of rehabilitation of individuals with handicaps. This new language will provide NRIDR with the specific authority to provide such training whereas now NRIDR is acting under its general authority. The Committee believes the addition of this statutory authority will ensure that this needed training continues.

Fifth, the Director must conduct a study of health insurance practices and policies, including those of health insurance companies, employers who are self-insured with an administrative relationship with a health insurance company, and employers who are self-insured without an administrative relationship with a health insurance company, which affect individuals with handicaps (including American Indians and others with diabetes) and, no later than February 1, 1990, submit a report to the appropriate committees of Congress.

Sixth, the Director must submit to Congress within one year policy recommendations for establishing an agency or mechanism to ensure the development and cost-effective production and marketing of technological devices and the efficent distribution of such devices to persons with handicaps.

The Committee is aware that modern technology has revolutionized the challenges faced by the rehabilitation system. The success of these efforts has been to potentially increase the number of disabled people who can participate in the labor force. Technology has itself been a major force in changing the disabled population. Advances in science and medicine have increased the life span and survival rate of people with many different types and severity of disabilities.

Thus, the Committee believes that technology has the potential for improving the quality of life for people with disabilities, including improving communication, mobility, independence, and control of one's environment. Technology can provide important job opportunities for physically disabled persons through adaptation of work sites. As we approach the 21st century, further advances in microcomputers, electronics and materials development can only further expand the frontiers of what we even consider as being possible today.

However, the Committee is also aware that many disabled people lack access to the existing technology which could dramatically increase their well-being and productivity. This problem has been recently addressed by the 1982 study of the Office of Technology Assessment, the 1977 White House Conference on the Handicapped, studies by the Urban Institute, and two consecutive conferences on the technological needs of the rural handicapped, and other studies as well. Clearly, our priorities in rehabilitation have missed a major opportunity, given the dramatic difference that technological improvements can make and the cost effectiveness of such investments in removing people from income support programs and increasing their economic independence.

According to the Office of Technology Assessment, a recent survey conducted for NIHR found that the U.S. Government spends about $66 million on reseach related to technologies for disabilities. Research for other health care is $7,100,000,000. More important, spending on transfer payments for the disabled is $35.6 billion. Thus, research and development for technology which would utimately produce revenue in taxes from employed disabled persons and a reduction in the need for transfer payments represents only .02 of 1 percent of the budget for transfer payments. Our policies seem expensive and to somewhat shortsighted. They do not meet the needs of people with disabilities to be independent and productive.

For the past couple of years, Congress has been interested in the question of how well government rehabilitation programs directly or indirectly develop technologies and support their use and dissemination. Three major categories of problems have been identified: problems related to the use and modification of existing technology; second, problems resulting from the lack of knowledge and training about existing resources; and finally, lack of access to affordable technology. The Committee believes the information provided by the National Research Institute on Disability and Rehabilitation will enable the Congress to respond to these three areas of need in a productive and cost-effective manner. The Committee further believes that a national commitment is needed to assure that all Americans with disabilities, regardless of disability and financial status, can secure and utilize proven technologies which will enable them to live productive, satisfying lives.

INTERAGENCY COMMITTEE

Section 303 of the bill amends section 203 of the Act to add to the Interagency Coordinating Committee representatives from the Assistant Secretary of the Interior for Indian Affairs and the Director of the Indian Health Service.

RESEARCH

Section 304 of the bill amends section 204 of the Act to authorize the Director to make grants to and contracts with Indian tribes and tribal organizations.

This section also establishes a minimum of $400,000 for a grant awarded to a Center except Centers which have received a grant under section 204 of the Act before the date of enactment of the Rehabilitation Act Amendments of 1986. It is the Committee's intent by this language to ensure that all existing or new Research and Training or Engineering Centers receive a base level of funding, sufficient to carry out their missions with success. It is not the Committee's intend that the agency, in order to meet this floor, eliminate one or more Centers nor is the Committee's intent to lock any Center into its present funding amount. Instead, if sufficient funds are not available from appropriations, the Committee would expect that the Centers with larger appropriations would contribute to meeting the floor. This section also adds a requirement that all research grants made under the section in excess of $400,000 (not only grants for Centers) include as part of the peer review process consideration of past performance.

The field initiated research grant program and the innovative grant program generally support research of an individual investigator who has designed and initiated his or her own research. These two programs have been initiated in the past two years. They have stimulated great interest in the scientific community about rehabilitation research as evidenced by 400 applications in 1984 and about 300 in 1985. Approximately 50 awards were made in 1984 and 30 in 1985 and each is ordinarily a 3 year grant. The Committee urges NIHR to provide adequate financial support of these two programs so that forty to fifty new grants can be supported each year. A stable level of new grants is essential in order to maintain the interest of the research community in this important field.

Scientific peer review is a well recognized method to judge the merits and value of proposed research endeavors. The Committee wishes to stress the importance it places on the peer review process to assure the quality of government supported research and fairness to applicants. In order to operate optimally, it is generally recognized that the process should involve a sufficient number of qualified reviewers to assure fairness. Reviewers are generally part of a continuing committee, focused on a particular topic, and should serve for a sufficient length of time in order to become familiar with the process. Ad hoc committees are sometimes created for single reviews to deal with applications in atypical areas. The reviews should involve actual meetings of reviewers as opposed to telephone communication or review by mail in order to facilitate dialogue among reviewers.

This section also directs the Rehabilitation Engineering Research Centers to not only develop (current law) but also to disseminate innovative methods of applying advanced technology. The Committee hopes by this language to not only stimulate the development of rehabilitation engineering technololgy knowledge but also its dissemination.

This section also adds the requirement that Rehabilitation Engineering Research Centers demonstrate innovative models for the delivery to rural and urban areas of cost-effective rehabilitation engineering services that promote utilization of engineering and other scientific research to assist in meeting the employment and independent living needs of individuals with severe disabilities.

This section also adds a requirement that the Director, in awarding grants for spinal cord injuries and research, take into account the location of any Center and appropriate geographic and regional allocation of Centers. It is the Committee's intent that funding for such projects and services be distributed geographically across the country so that individuals in different regions have reasonable access to such projects and services.

This section also makes the age of elderly Indian eligible for study as 55 instead of 60. The life expectancy for Indians is lower than the rest of the population accoring to the 1980 census. This section also provides for studies to be conducted of the rehabilitation needs of American Indian populations and of effective mechanisms for the delivery of rehabilitation services to Indians residing on and off the reservation. This data is needed in order for Congress to respond to the need and funding necessary to carry our the provisions of the Act. It is the intent of appropriate rehabilitation strategies for dealing with the unique social/cultural/economic situations of various Tribal groups.

Finally, this section inserts the term "psychological" wherever the term "psychiatric" is used with respect to model demonstration and research programs. The Committee has made this change to recognize that psychological research and demonstration activities provide equally valid and useful information.

TRAINING

Section 403 of the bill amends section 304 of the Act by adding the requirement that personnel be specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with severe handicaps. The Committee urges RSA to place greater emphasis on training personnel to work with the severely handicapped, including the chronically mentally ill and persons with head injuries and developmental disabilities.

Rehabilitation personnel at all levels can benefit from such training. Administrators and managers coud profit from information on service system design and on program planning and evaluation. Personnel at the service delivery level can improve practice through a better understanding of the dynamics of the disability, treatment, planning, service provision and evaluation, and job development, placement and follow-up. The Committee believes that such exposure to new ideas, knowledge, skills, and attitudes should be provided through existing and new training efforts at the preservice and inservice levels.

This section also directs that recipients give due regard to the training of individuals with handicaps as part of the effort to increase the number of qualified personnel available to provide rehabilitation services. The Committee wishes to encourage the training of persons with handicaps as rehabilitation personnel.

This section also authorizes the Commissioner to provide technical assistance to State rehabilitation agencies and rehabilitation facilities. The new language is a reinstatement of language removed from the statute by P.L. 95-602. The Committee heard from several State directors of vocational rehabilitation that this removal had been harmful to their efforts to provide technical assistance (Hearing Record, Subcommittee on Select Education, July 17, 1985).

This section also adds on exception for persons with handicaps from the provision limiting the use of a grant to four years to support any one course of study to an individual if the grantee determines that the individual's handicap seriously affects the completion of training within the four year period. The Committee is aware that, because of its intention that more persons with handicaps receive training as rehabilitation personnel, the four years limitation existing in current law might prove too limiting for some individuals. Therefore, the Committee adds a provision that such a limitation may be modified by the grantee agency as deemed reasonable for the needs of the individual with handicaps receiving the training.

This section also adds a requirement that persons repay Federal funds received for traineeships and scholarships if they subsequently become employed at a for-profit rehabilitation agency. The Committee, in so doing, reaffirms the view that tax supported training efforts should yield direct benefits for the public. Trainees who receive training paid for by tax dollars are expected to work in public, nonprofit rehabilitation agencies. Individuals who accept such funds should be made aware of this requirement prior to their acceptance of the financial assistance. In the rare case where no public, nonprofit rehabilitation employment is available to the individual upon completion of training, an appeal may be filed through the State director of the rehabilitation agency to the Commissioner.

This section also adds "rehabilitation engineering" to the list of possible training projects.

SPECIAL DEMONSTRATIONS PROGRAMS

Section 406 of the bill amends section 311 of the Act to authorize special demonstration programs for operating projects to meet the special needs of isolated populations of individuals with handicaps, particularly among American Indians residing on or outside of reservations. Inclusion of this language is intended to encourage innovative programs to serve these populations.

SUPPORTED EMPLOYMENT

Madeleine Will, Assistant Secretary for Special Education and Rehabilitative Services, is currently pursuing a major initiative referred to as "supported employment." Ms. Will, in a position paper developed several years ago, described the four characteristics of supported employment.

(1) Service recipients. Supported employment is designed for individuals who are served in day activity programs because they appear to lack the potential for unassisted competitive employment.

(2) Ongoing support. Supported employment involves the continuing provision of training, supervision, and support services that would be available in a traditional day activity program. Supported employment is not designed to lead to unassisted competitive work.

(3) Employment focus. Supported employment is designed to produce the same benefits for participants that other people receive from work and these can be assessed by normal measures of employment quality, e.g., income level, quality of working life, security, mobility, and advancement opportunity.

(4) Flexibility in support strategies. Supported employment incorporates a variety of techniques and services to assist individuals obtain and perform work. Examples include: assistance to a service agency that provides training and supervision at an individual's worksite; support to an employer to offset the excess costs of equipment or training; supervision of individuals with severe disabilities; and salary supplements to a coworker who provide regular assistance in performance of personal care activities while at work.

In accordance with the Commissioner's general authority to find special projects and demonstrations, the Department is currently funding 10 supported employment projects and demonstrations. A total of $3.7 million is being expended from title III of this Act and $.5 million from the Developmental Disabilities Assistance and Bill of Rights Act.

The Committee has included several amendments pertaining to supported employment. While the Committee recognizes the potential contribution of supported employment to the rehabilitation of individuals with severe disabilities, the inclusion of these amendments should not be construed as an endorsement of this approach over other approaches such as competitive employment, sheltered workshops, and extended programming. The factor for determining the appropriate approach should always be the needs of the individual.

Section 407 of the bill amends section 311 of the Act to authorize the Commissioner to make grants to agencies and facilities to pay part and in limited circumstances all of the costs associated with the development of demonstrations providing supported employment. This provision is not intended to provide ongoing support for any particular project; nor is it intended to pay for ongoing support services. Once a project (including the provision of necessary support services) has been developed, it is expected that it will secure funding from other Federal or non-Federal sources. Of course, this would not prevent the Commissioner from making grants for the purpose of replication.

This section also permits a State to use basic State grant funds under title I of the Act for training and traditional short-term post-employment services for supported employment for individuals with severe handicaps for whom competitive employment has not traditionally occurred. The Committee intends that if the State decides to permit the use of funds under title I for training and traditional short-term post-employment services for particular individuals with severe handicaps, then supported employment should be considered an acceptable outcome of vocational rehabilitation for such individuals.

In regards to training for supported employment, it is not the intent of this Committee that individuals with severe disabilities receive such training if they cannot be reasonably expected to benefit from supported employment. Furthermore, it is not the intent of this Committee that individuals with severe disabilities receive such training if an opportunity to participate in supported employment will not or is not likely to exist when the training services provided to such individuals under title I of the Act have been completed. In making these determinations, the Committee intends that the States use the same policy for these individuals as it uses for others i.e., it must make decisions based on the unique needs of each individual.

In regards to the types of vocational rehabilitation services provided for the purpose of preparing an individual with disabilities for supported employment (training and traditional short-term post-employment services), it is the Committee's intent that States use the traditional time-limited restrictions which apply to training regimens for all other individuals with handicaps receiving vocational rehabilitation services, to the extent that these restrictions do not include absolute time-limits (see the discussion of absolute time-limits in a previous section of the report pertaining to the State plan).

In regards to funding supported employment, it is the Committee's clearly stated intent that the basic State grant program not be used to fund supported employment. Only training and traditional short-term post-employment services may be funded out of the basic State grant. Supported employment may be paid for out of funds under title III of the Act; funds from other Federal programs such as titles XIX and XX of the Social Security Act and the Developmental Disabilities Assistance and Bill of Rights Act, as amended; and non-Federal sources.

The bill also defines the term "supported employment" to mean competitive work in integrated work settings for individuals with severe handicaps for whom competitive employment has not traditionally occurred and who, because of their handicap need intensive, on-going support services to perform such work. The term may include appropriate mental health programs. It is encouraged that supported employment include paid work, averaging 20 hours per week in a variety of integrated competitive work settings.

This section also adds to the list of research topics for which a grant may be awarded under section 20(a) of the Act studies, analyses, and other activities related to supported employment; includes authority under section 302(b)(3)(A) of the Act for including supported employment for vocational services for handicapped individuals; and includes authority under section 304(b) of the Act for making grants for specialized personnel in providing employment training for supported employment. The inclusion of the latter authority is intended to permit States to increase the number of personnel skilled in providing employment training in supported employment.

DUTIES OF THE NATIONAL COUNCIL

Section 409 of the bill amends section 401 of the Act by requiring that the National Council on the Handicapped prepare a report on the status of individuals with handicaps in areas such as employment, education, insurance, health, housing, transportation, and recreation. It is the Committee's intention that this report provide to the Nation a frequent update as to the status of persons with handicaps as well as a profile of persons with disabilities.

Such information should be useful in evaluating the progress of various efforts to assist persons with handicaps toward their goal of achieving self-sufficiency. The Committee does not intend that the Council collect costly new data but instead will use existing data. If such data is insufficient, the Council is directed to discuss this issue with the Committees of the Congress when it meets with them to finalize the plans for developing and instituting this requirement.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

Section 501 of the bill amends section 502 of the Act to provide that the number of public members of the Architectural and Transportation Barriers Compliance Board is increased from 11 to 12. This change is needed because the creation of the Department of Education caused the number of Federal agency members to equal the number of members from the general public. The number of handicapped members is increased from five to six, as a result of the increase in overall members.

The Committee also has added language that enables members whose terms are expiring to continue to serve until a successor is named. Also, members appointed to fill a vacancy shall continue to serve the balance of their predecessor's term.

The Committee is concerned that the Board remain balanced between public and agency members. Therefore, it has added language that requires the Chairperson of the Board to alternate on an annual basis between public and agency members and also that the Vice Chairperson must represent the opposite membership category from the Chairperson.

The bill also adds a requirement that the Board's policy regarding a quorum must include the provisos that half of the members in attendance and voting are from the public and that proxies may not be used for purposes of determining whether a quorum exists.

INTERAGENCY COORDINATING COUNCIL

Section 502 of the bill amends section 507 of the Act to include the Assistant Secretary of the Interior for Indian Affairs on the Interagency Coordinating Council.

EQUITABLE DISTRIBUTION OF ASSISTANCE

Section 601 of the bill amends section 615 of the Act by adding "the needs of Indian tribes" to the existing requirement that in the awarding of grants under title VI (Employment Opportunities for Handicapped Individuals) the Secretary must take into account the needs of underserved States. This section also adds to the existing provision pertaining to the equitable apportionment of funds under title VI that the Secretary take into consideration individuals residing on Indian reservations.

PROJECTS WITH INDUSTRY

General statutory authority for the Projects with Industry (PWI) program was provided in the 1968 Vocational Rehabilitation Act amendments. In 1973, more specific authority was provided: "projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services as may be necessary to continue to engage in such employment."

The 1984 Amendments to the Act required the Commissioner to conduct a comprehensive evaluation of the PWI program. The evaluation, delivered to the Congress in February, 1986, revealed that in general PWIs are experiencing success in efforts to assist persons with handicaps to obtain work in competitive settings. "The relatively low cost per placement, especially for older projects, suggests that PWI projects are accomplishing their goals in an efficient manner. This success is underscored by the fact that placements achieved in . . . 1983–84 resulted in a total gain in earned income of $1.263 million per week." The evaluation made the following recommendations: (1) "improving the distribution of PWI projects around the country, (2) adopting procedures that would permit the assessment of individual projects and the program as a whole, and (3) clarifying areas of administrative ambiguity . . .".

The Committee, recognizing the achievements of these projects, has added language to the Act to ensure their continued successful contribution toward employment of persons with handicaps. Section 603 of the bill amends section 621 of the Act to require the submission of an evaluation report by recipients of Projects With Industry grants consistent with prescribed standards. This section also provides for a five-year funding cycle, annual review of the grant, and opportunity for renewal for an additional five-year period. Finally, this section provides that the Commissioner must consider past performance in renewing grants.

CENTERS FOR INDEPENDENT LIVING

The Committee is concerned that some groups of individuals with severe handicaps, including individuals with developmental disabilities, are being significantly under-served under title VII of the Act. The Committee encourages States to provide for the full participation of all individuals who qualify for assistance under this title.

In addition, where appropriate the Committee encourages States to make funds available to Indian tribes to establish independent living centers. Indian tribes have experienced difficulty in obtaining resources to develop such Centers. Housing is scarce on Indian reservations and there is little available for individuals with special needs.

USE OF GENDER NEUTRAL TERMINOLOGY IN THE ACT

Section 801 of the bill makes changes throughout the bill to make it gender free.

REAUTHORIZATION OF HELEN KELLER NATIONAL CENTER ACT

Section 901 of the bill amends section 205 of the Helen Keller National Center Act to authorize to be appropriated to carry out the Act such sums as may be necessary for each of the fiscal years 1987 through 1989.

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

Section 902 of the bill provides such sums as may be necessary for the President's Committee on Employment of the Handicapped for each of the fiscal years 1987 through 1991, and directs the President's Committee to be guided by the general policies of the National Council on the Handicapped.

In taking this action the Committee wishes to reaffirm the importance of the symbolic function of the President's Committee and of its wide involvement with the private sector. However, the Congress has created the National Council to make recommendations about policy affecting persons with handicaps. Thus, the Congress wishes the President's Committee to be aware of these recommendations and to coordinate its activities, to the extent possible, so that the activities of the President's Committee are consistent with Congressional intent with respect to policies affecting the employment of persons with handicaps. The Committee does not intend by this action to place the operation of the President's Committee under the control of the National Council.

The Committee further wishes to encourage the President's Committee to increase the public visability of its activities designed to aid in efforts to secure employment for persons with handicaps.

EFFECTIVE DATE

Section 1001 of the bill establishes the effective date as October 1, 1986, except as otherwise provided.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

In compliance with clause 2(l)(3)(C) of Rule XI of the Rules of the House of Representatives, the estimate prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974, submitted prior to the filing of this report, is set forth as follows:

U.S. CONGRESS,
Congressional Budget Office,
Washington, DC, March 14, 1986.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 4021, the Rehabilitation Act Amendments of 1986, as ordered reported by the House Education and Labor Committee on March 11, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes.

Sincerely,

RUDOLPH G. PENNER,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 4021.
2. Bill title: Rehabilitation Act Amendment of 1986.
3. Bill status: As ordered reported by the House Education and Labor Committee on March 11, 1986.
4. Bill purpose: The primary purpose of this bill is to amend and extend the authorizations for appropriations for the programs under the Rehabilitation Act. This bill is subject to subsequent appropriations action. The basic grants to states are considered and appropriated entitlement.

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Direct spending provision:					
Basic grants to States for vocational rehabilitation services:					
Estimated budget authority	154	1,347	1,407	1,469	1,533
Estimated outlays	119	1,073	1,393	1,455	1,518
Amounts subject to appropriations action:					
Estimated authorization levels:					
Additional grants for vocational rehabilitations services	82	86	90	95	101
Innovation and expansion grants	18	18	19	20	21
Grants to Indian tribes	14	14	15	16	16
Client assistance	7	7	8	8	9
Research and training	93	98	103	109	115
Grants for construction of rehabilitation facilities	2	2	2	3	3
Vocational training services for handicapped individuals	8	9	9	10	10
Training	33	34	36	38	40
Comprehensive rehabilitation centers	2	3	3	3	3
Special projects	15	16	17	18	19
Special recreation programs	2	3	3	3	3

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Architectural and Transportation Barriers Compliance Board	3	3	3	3	3
Employment opportunites for individuals with handicaps	48	51	53	56	59
Comprehensive services for independent living	41	43	46	48	51
Helen Keller Center	5	5	5		
President's Committee on Employment of the Handicapped	2	2	2	2	2
Subtotal:					
Estimated authorization level	375	394	414	432	455
Estimated outlays	289	390	409	428	450
Total:					
Estimated budget authority/authorization level	529	1,741	1,821	1,901	1,988
Estimated outlays	407	1,462	1,803	1,883	1,968

Basis of Estimate

This cost estimate of H.R. 4021, the Rehabilitation Act Amendments of 1986, includes the new and extended authorizations for programs under the Rehabilitation Act of 1973.

Basic grants to states are currently authorized for fiscal year 1987. The estimated budget authority for these grants in 1987 reflects the increase in the authorization level from the level estimated under current law to the newly stated level. The outyears reflect the 1987 level stated in the bill adjusted for inflation according to the procedures stated in current law. Estimated outlays reflect current program spending patterns.

All other programs in the bill are authorized at such sums as may be necessary. With some exceptions, estimated authorization levels reflect the most recent stated authorization levels adjusted for inflation. Where no previous stated authorization level exists, CBO has used the most recent appropriation level, adjusted for inflation. Exceptions are detailed below.

The estimate for grants to Indian tribes is the maximum allowed under current law—one percent of the amount of grants to states. The Barriers Compliance Board is estimated at the stated maximum authorization level of $3 million. The estimated for research and training reflects the assumption that the proposed establishment of a rural rehabilitation center and grants to institutions of higher education would require funding amounts similar to authorization levels for the current program. In the estimate for employment opportunities, CBO assumes that funding levels for community service employment and for business opportunities would be similar to current authorization levels for projects with industry.

Outlay estimates assume full appropriation of estimated authorization levels. Outlays reflect the current program spending rate of 77 percent the first year and the remainder the following year.

6. Estimated cost to State and local government: The basic grants to states currently require a 20 percent match of federal funds. This rate would be increased under this bill to 25 percent beginning in fiscal year 1989. Many states currently exceed the minimum matching requirement, which is estimated to be $346 million

in 1987. In 1989, the matching requirement would be $375 million under the 20 percent rate, and $500 million under the 25 percent rate. To receive their full share of federal funds, some states may have to increase their expenditures.

Other grant programs in this bill would partially or fully pay for project costs to state and local governments, nonprofit organizations, institutions of higher education, and business and industry.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Kenneth Pott.
10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

COMMITTEE ESTIMATE

With reference to the statement required by clause 7(a)(1) of Rule XIII of the Rules of the House of Representatives, the Committee agrees with the estimate prepared by the Congressional Budget Office.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of H.R. 4021 will have no inflationary impact on prices and costs in the operation of the national economy. It is the judgment of the Committee that there is no inflationary impact of this legislation as a component of the Federal budget.

COMMITTEE FINDINGS

With reference to the statement required by clause 2(1)(3)(A) of Rule XI of the Rules of the House of Representatives regarding any findings or recommendations pursuant to this Committee's oversight reviews or studies, the Subcommittee on Select Education has conducted six legislative hearings on this bill.

OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

In compliance with clause 2(l)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee states that no findings or recommendations of the Committee on Government Operations were submitted to the Committee with reference to the subject matter specifically addressed by H.R. 4021.

SUMMARY

The Committee on Education and Labor finds that H.R. 4021, as amended appropriately reauthorizes the Rehabilitation Act of 1973, as amended.

SECTION-BY-SECTION ANALYSIS

SHORT TITLE; TABLE OF CONTENTS

Section 1. This section specifies the short title of the bill as the Rehabilitation Act Amendments of 1986 and includes a table of contents.

TITLE 1—AMENDMENTS TO THE GENERAL PROVISIONS

Section 101. This section provides that the Commissioner of the Rehabilitation Services Administration be appointed by the Secretary instead of by the President (current law). The change will become effective upon a vacancy in the position. In addition, the section specifies the compensation rate for the Commissioner and specifies that the Commissioner must be an individual with substantial experience in rehabilitation and in rehabilitation program management.

Section 102. Under this section, effective October 1, 1988, the definition of the term "Federal share" is changed from 80 percent to 75 percent. In addition, section 110(b)(2) of the Act is amended by changing the percentage from 80 to 75. Further, the term "handicapped individual" is changed to "individual with handicaps" and the term "individual with severe handicaps" is modified.

Additionally, the qualifying phrase "or combination of such units or organizations" to the term "Indian tribe" is deleted. Further, the term "public or nonprofit agency or organization" is amended to include an Indian tribe; and the terms "Indian," "American Indian," "Indian American" and "Indian tribe" are defined.

Section 103. This section requires that the Commissioner submit the Annual Report to the President and to the Congress at the same time. In addition, this Report would be required to include information on the activities and staffing of the Office of Information and Resources for Handicapped Persons and an evaluation of the status of individuals with severe handicaps participating in programs under this Act.

Section 104. This section requires that the evaluations by the Secretary include the standards used in the evaluation.

Section 105. This section requires a State to designate those requirements that are State as opposed to Federal requirements.

Section 106. This section directs the Secretary to conduct a study of indirect cost rates charged by State agencies providing rehabilitation services. The Report must be submitted no later than February 1, 1987.

TITLE II—VOCATIONAL REHABIITATION SERVICES

Section 201. This section reauthorizes the Act for a 5 year period, through September 30, 1991. It also authorizes for appropriation under title I (the basic State grant) $1,301,862,400 for FY1987 and for fiscal years 1988, 1989, 1990, and 1991 the amount determined under section 100(c) of the Act.

Section 202. This section of the bill amends the State plan provision in section 101 of the Act in nine ways. First, it adds a provision requiring that the State plan include the results of a comprehensive, State-wide assessment of the rehabilitation needs of all individuals with severe handicaps residing within the State and the State's response to the assessment.

Second, a requirement is added that the State justify the order of selection of individuals with handicaps for receipt of services when the State lacks funds to serve all those eligible for services. Third, a requirement is added directing the State to describe the manner in which rehabilitation engineering services will be utilized to provide assistance to individuals with handicaps.

Fourth, the term "qualified" is added before the term "personnel". Fifth, the "last dollar" provision in current law is strengthened.

Sixth, the State must actively consult with Indian tribes and native Hawaiian organizations in the development of the State plan. Seventh, it requires that in the formulation of the State plan and any revisions thereto, that the State conduct public meetings, allow for public comment, and include a copy of the comments and the State agency's response.

Eighth, it adds "community mental health programs" to the list of agencies with whom the State agency administering the basic State grant program under title I may enter into a cooperative agreement. Ninth, it adds a requirement that the State plan contain the plans, policies, and methods to be followed to assist in the transition from education to employment related activities.

Section 203. This section provides an opportunity for the submission of additional evidence and information relevant to a final decision by the Director regarding an individual's eligibility. The final decision must include a full report of the findings and the grounds for such decision. A copy must be provided to the affected individuals.

This section also requires that the individualized written rehabilitation program include long-range rehabilitation goals on an assessment determined through an evaluation of rehabilitation potential for the individual.

This section also authorizes a fair hearing board established by a State prior to January 1, 1986 and authorized to review eligibility determinations, which under current law may only be carried out by the Director.

Section 204. This section includes examination, where appropriate, by personnel skilled in rehabilitation technology for purposes of ascertaining rehabilitation potential. This section also makes more specific the requirement pertaining to the provision of post-employment services. Language is also added to encourage the use of rehabilitation engineering services.

Section 205. This section extends the non-Federal share for construction to part D, programs for Indian tribes.

Section 206. This section makes changes to retain current policy regarding eligibility for assistance under section 110(b)(2) of the Act and places time limits on the process for reallocating unused funds among the States.

Section 207. This section amends section 110 of the Act to entitle Indian tribes to at least one-quarter of 1 percent but no more than 1 percent from the basic State grant to be used to fund programs under part D of title I.

Section 208. This section strengthens the maintenance of effort provision and provides for a waiver under exceptional and unforeseen circumstances.

Section 209. This section specifies that the Governor, after the date of enactment, may remove a Client Assistance Program Agency only for "good cause." The bill also permits the Commissioner to raise the minimum allotment for CAP agencies under specified circumstances.

Further, this section directs the Secretary to pay the CAP agency directly the amount approved in its application, except as specifically prohibited by or as otherwise provided in State law. Finally, section 209 of the bill authorizes for appropriations for the CAP program such sums as may be necessary for each of the fiscal years 1987 through 1991.

Section 210. This section authorizes the payment of funds under the innovation and expansion program through fiscal year 1991.

Section 211. This section sets the match for the Indian Rehabilitation program at 90:10; permits the non-Federal share to be cash or in-kind; and authorizes the Commissioner to waive the match. It also directs the Secretary to give priority consideration to applications for the continuation programs which have been previously funded.

Section 212. This section requires evaluation of cooperative efforts between Indian Rehabilitation Programs and other rehabilitation programs.

Section 213. This section directs the Secretary to conduct a study of the special problems and needs of Indians with handicaps, both on and off the reservation.

TITLE III—RESEARCH AND TRAINING

Section 301. This section authorizes for appropriation such sums as may be necessary for the National Institute on Handicapped Research for each of the fiscal years 1987 through 1991.

Section 302. This section amends section 202 of the Act in seven ways. First, it requires that the Director disseminate results of evaluations to Indian tribes and that representatives from the Bureau of Indian Affairs and the Indian Health Service be included in the interagency committee.

Second, this section provides for the appointment of the Director by the Secretary instead of by the President; and establishes the rate of compensation. Third, this section requires that the Director establish a Center for research and training concerning the delivery of rehabilitation services to rural areas.

Fourth, the Director is required to make grants to institutions of higher education for the training of researchers in the field of rehabilitation of individuals with handicaps. Fifth, the Director must submit to Congress within one year policy recommendations for establishing an agency or mechanism to ensure the development and cost-effective production and marketing of technological devices and the efficient distribution of such devices to persons with handicaps.

Sixth, the Director must conduct a study of health insurance practices and policies which affect individuals with handicaps and report back to the appropriate committees of Congress by February 1, 1990.

Finally, the National Institute is redesignated the National Research Institute on Disability and Rehabilitation.

Section 303. This section adds to the Interagency Coordinating Committee representatives from the Assistant Secretary of the Interior for Indian Affairs and the Director of the Indian Health Service.

Section 304. This section authorizes the Director to make grants to and contracts with Indian tribes and tribal organizations. This section also establishes a minimum of $400,000 for a grant awarded to a Center except Centers which have received a grant under section 204 of the Act before the date of enactment of the Rehabilitation Act Amendments of 1986. This section also adds a requirement that all research grants made under this section in excess of $400,000 (naot only grants for Centers) include as part of the peer review process consideration of past performance.

This section also directs the Rehabilitation Engineering Research Centers to not only develop (current law) but also to disseminate innovative methods of applying advanced technology.

This section also adds the requirement that Rehabilitation Engineering Research Centers demonstrate innovative models for the delivery to rural and urban areas of cost-effective rehabilitation engineering services that promote utilization of engineering and other scientific research to assist in meeting the employment and independent living needs of individuals with severe disabilities.

This section also adds a requirement that the Director, in awarding grants for spinal cord injuries and research, take into account the location of any Center and appropriate geographic and regional allocation of Centers.

This section also makes the age of elderly Indians eligible for study as 55 instead of 60 and provides for studies to be conducted of the rehabilitation needs of American Indian populations and of effective mechanisms for the delivery of rehabilitation services to Indians residing on and off the reservation.

Finally, this section inserts the term "Psychological" wherever the term "psychiatric" is used with respect to model demonstration and research programs.

TITLE IV—SUPPLEMENTARY SERVICES AND FACILITIES

Section 401. This section authorizes the appropriation of such sums as may be necessary for the construction of rehabilitation facilities, staffing, and planning assistance for each of the fiscal years 1987 through 1991.

Section 402. This section authorizes appropriations for training grants at such sums for each fiscal year 1987 through 1991.

Section 403. This section adds the requirement that personnel be specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with severe handicaps.

This section also directs that recipients give due regard to the training of individuals with handicaps as part of the effort to increase the number of qualified personnel available to provide rehabilitation services.

This section also authorizes the Commissioner to provide technical assistance to State rehabilitation agencies and rehabilitation facilities.

This section also adds an exception from the provision limiting the use of a grant to four years to support any one course of study to an individual for persons with handicaps if the grantee determines that the individual's handicap seriously affects the completion of training within the four year period.

This section also adds a requirement that persons repay Federal funds received for traineeships and scholarships if they subsequently become employed at a for-profit rehabilitation agency.

This section also adds "rehabilitation engineering" to the list of possible training projects.

This section also authorizes for appropriation such sums as may be necessary for training projects for each of the fiscal years 1987 through 1991.

Section 404. This section authorizes for appropriation such sums as may be necessary for comprehensive rehabilitation Centers for each of the fiscal years 1987 through 1991.

Section 405. This section authorizes for appropriation such sums as may be necessary for special projects and supplementary services for each of the fiscal years 1987 through 1991.

Section 406. This section authorizes special demonstration programs for operating programs to meet the special needs of isolated populations of individuals with handicaps, particularly among American Indians residing on or outside of reservations.

Section 407. This section adds authority to fund supported work demonstrations and projects and a definition of the term. This section also permits a State to use funds under title I of the Act for training and traditional short-term post-employment services for supported employment for individuals with severe handicaps for whom competitive employment has not traditionally occurred. This section also permits supported employment to be paid for out of title III of the Act, other Federal programs, or non-Federal sources.

This section also adds to the list of research topics for which a grant may be awarded under section 204(a) of the Act studies, analyses, and other activities related to supported employment; includes authority for including supported employment for vocational services for handicapped individuals; and includes authority for making grants for specialized personnel in providing employment training for supported employment.

Section 408. This section authorizes the appropriation of such sums as may be necessary for special recreational programs for each of the fiscal years 1987 through 1991.

Section 409. This section requires that the National Council on the Handicapped prepare a report on the status of individuals with handicaps in areas such as employment, education, insurance, health, housing, transportation, and recreation.

TITLE V—ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

Section 501. This section provides that the number of public members of the Architectural and Transportation Barriers Compliance Board is increased from 11 to 12. The number of handicapped members is increased from five to six. A policy is included for dealing with successor appointments.

This section also adds the requirements that: the chairperson and vice-chairperson of the Board may not both be members of the general public or Federal officials; the chairperson and vice-chairperson must be elected to serve for terms of one year; and the position of chairperson and vice-chairperson must annually rotate between a member of the general public and a Federal official.

This section also adds a requirement that the Board's policy regarding a quorum must include the provisos that half of the members in attendance are from the public and that proxies are not used for purposes of establishing a quorum. This section also authorizes for appropriation such sums as may be necessary for the Board for each of the fiscal years 1987 through 1991.

Section 502. This section includes the Assistant Secretary of the Interior for Indian Affairs on the Interagency Coordinating Council.

TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH HANDICAPS

Section 601. This section adds "the needs of Indian tribes" to the existing requirement that in the awarding of grants under title VI the Secretary must take into account the needs of underserved States. This section also adds to the existing provision pertaining to the equitable apportionment of funds under title VI that the Secretary take into consideration individuals residing on Indian reservations.

Section 602. This section authorizes the appropriation of such sums as may be necessary for part A of title VI of the Act for each of the fiscal years 1987 through 1991.

Section 603. This section requires the submission of an evaluation report by recipients of Projects With Industry grants consistent with prescribed standards. This section also provides for a five year funding cycle, annual review of the grant, and opportunity for renewal for an additional five-year period. Finally, this section provides that the Commissioner must consider past performance in renewing grants.

Section 604. This section authorizes the appropriation of such sums as may be necessary to carry out sections 621 and 622 for each of the fiscal years 1987 through 1991.

TITLE VII—COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING

Section 701. This section authorizes the appropriation of such sums as may be necessary to carry out part A (comprehensive services), part B (Centers for Independent Living), part C (Independent Living Services for Older Blind Individuals) and part D (Protection and Advocacy of Individual Rights) for each of the fiscal years 1987 through 1991. With respect to part D, the provisions of section 1913 of title 18 of the U.S. Code are applicable.

TITLE VIII—TECHNICAL AND CONFORMING AMENDMENTS TO THE ACT

Section 801. This section makes changes throughout the bill to make it gender free.

Section 802. This section makes certain technical and conforming amendments.

TITLE IX—AMENDMENTS TO OTHER LAWS

Section 901. This section amends section 205 of the Helen Keller National Center Act to authorize to be appropriated to carry out the Act such sums as may be necessary for each of the fiscal years 1987 through 1989.

Section 902. This section provides such sums as may be necessary for the President's Committee on Employment of the Handicapped for each of the fiscal years 1987 through 1991.

TITLE X—EFFECTIVE DATE

Section 1001. This section establishes the effective date as October 1, 1986, except as otherwise provided.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

REHABILITATION ACT OF 1973

* * * * * * *

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Rehabilitation Act of 1973":

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Sec. 2. Declaration of purpose.
Sec. 3. Rehabilitation Services Administration.
Sec. 4. Advance funding.
Sec. 5. Joint funding.
Sec. 6. Consolidated rehabilitation plan.
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Sec. 8. Allotment percentage.
Sec. 9. Audit.
Sec. 10. Nonduplication.
Sec. 11. Application of other laws.
Sec. 12. Administration of the Act.
Sec. 13. Reports.
Sec. 14. Evaluation.
Sec. 15. Information clearinghouse.
Sec. 16. Transfer of funds.
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TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

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Sec. 101. State plans.

Sec. 102. Individualized written rehabilitation program.
Sec. 103. Scope of vocational rehabilitation services.
Sec. 104. Non-Federal share for construction.

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Sec. 111. Payments to States.
Sec. 112. Client assistance program.

PART C—INNOVATION AND EXPANSION GRANTS

Sec. 120. State allotments.
Sec. 121. Payments to States.

PART D—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

Sec. 130. Vocational rehabilitation services grants.
Sec. 131. Evaluation.
Sec. 132. Study of needs of handicapped American Indians.

TITLE II—RESEARCH

Sec. 200. Declaration of purpose.
Sec. 201. Authorization of appropriations.
Sec. 202. National [Institute of Handicapped Research] *Research Institute on Disability and Rehabilitation.*
Sec. 203. Interagency committee.
Sec. 204. Research.

TITLE III—SUPPLEMENTARY SERVICES AND FACILITIES

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Sec. 301. Grants for construction of rehabilitation facilities.
Sec. 302. Vocational Training Services for [handicapped individuals.] *individuals with handicaps.*
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Sec. 401. Duties of National Council.
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Sec. 501. Employment of [handicapped individuals.] *individuals with handicaps.*
Sec. 502. Architectural and Transportation Barriers Compliance Board.
Sec. 503. Employment under Federal contracts.
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Sec. 505. Remedies and attorneys' fees.
Sec. 506. Secretarial responsibilities.
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TITLE VI—EMPLOYMENT OPPORTUNITIES FOR [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

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Sec. 731. Protection and advocacy of individual rights.
Sec. 732. Employment of [handicapped individuals.] *individuals with handicaps.*

PART E—AUTHORIZATIONS

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DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to develop and implement, through research, training, services, and the guarantee of equal opportunity, comprehensive and coordinated programs of vocational rehabilitation and independent living.

section 3132(a)(2) of such title. The Commissioner shall be an individual with substantial experience in rehabilitation and in rehabilitation program management. Except for titles IV and V and part A of title VI and as otherwise specifically provided in this Act, such Administration shall be the principal agency, and the Commissioner shall be the principal officer, of such Department for carrying out this Act. In the performance of [his functions,] *the functions of the office,* the Commissioner shall be directly responsible to the Secretary or to the Under Secretary or an appropriate Assistant Secretary of such Department, as designated by the Secretary. The functions of the Commissioner shall not be delegated to any officer not directly responsible, both with respect to program operation and administration, to the Commissioner. Any reference in this Act to duties to be carried out by the Commissioner shall be considered to be a reference to duties to be carried out by the Secretary acting through the Commissioner. In carrying out any of [his functions] *the functions of the office,* under this Act, the Commissioner shall be guided by general policies of the National Council on the Handicapped established under title IV of this Act.

(b) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Services Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this

Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101(a) of this Act and its program for persons with developmental disabilities under the Development Disabilities Services and Facilities Construction Amendments of 1970: *Provided,* That the agency administering such State's program under such Act concurs in the submission of such a consolidated rehabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, [he] *the Secretary* may approve the plan to serve in all respects as the subsitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or [he] may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reduction, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsection (c) and (d) of section 101 of this Act.

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(2) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

(3) The term ["designated State units"] *"designated State unit"* means (A) any State agency unit required under section 101(a)(2)(A) of this Act, or (B) in cases in which no such unit is so required, the State agency described in section 101(a)(B)(i) of this Act.

(4) The term "establishment of a rehabilitation facility" means the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Secretary may determine, in ac-

cordance with regulations [he] *the Secretary* shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of such facilities), and may include such additional equipment and staffing as the Commissioner considers appropriate.

(5) The term "evaluation of rehabilitation potential" means, as appropriate in each case;

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational rehabilitation services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychiatric, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social and behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purposes of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G)(i) the provision of vocational rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individuals is [a handicapped individual, a handicapped individual] *an individual with handicaps, an individual with handicaps* for whom a vocational goal is not possible or feasible (as determined in accordance with section 102(c)), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(6) The term "Federal share" means [80 per centum,] *75 percent,* except that it shall mean 90 per centum for the purposes of part C of title I of this Act and as specifically set forth in section 301(b)(3); *Provided,* That with respect to payments pursuant to part B of title I of this Act to any State which are used to meet the costs of construction of those rehabilitation facilities identified in section 103(b)(2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to the State and that, for the purpose of de-

termining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall subject to such limitations and conditions as the Secretary shall be regulation prescribe, be regarded as expenditures by such State.

(7)(A) Except as otherwise provided in subparagraph (B), the term "[handicapped] individual *with handicaps*" means any individual who (i) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (ii) can reasonably be expected to benefit in terms of employability from vocational rehabilitation services provided pursuant to titles I and III of this Act.

(B) Subject to the second sentence of this subparagraph, the term "[handicapped] individual *with handicaps*" means, for purposes of titles IV and V of this Act, any person who (i) has a physical or mental impairment which substantially limits one or more of such person's major life activities, (ii) has a record of such an impairment, or (iii) is regarded as having such an impairment. For purposes of sections 503 and 504 as such sections relate to employment, such terms does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents such individual from performing the duties of the job in question or whose employment, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

(8) The term "local agency" means an agency of a unit of general local government or of an Indian [tribal organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101(a)(1) to conduct a vocational rehabilitation program under supervision of such State agency in accordance with the State plan approved under section 101.] *tribe (or combination of such units or tribes).* Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational rehabilitation services[: *Provided,* That such an arrangement is made part of the agreement specified in this paragraph.].

(9) The term "nonprofit", when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

(10) The term "public safety officer" means a person serving the United States or a State or unit of general government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(11) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation services to [handicapped individuals] *individuals with handicaps*, and which provides singly or in combination one or more of the following services for [handicapped individuals] *individuals with handicaps*: (A) vocational rehabilitation services which shall include, under one management, medical, psychiatric, psychological, social, and vocational services, [(B) testing, fitting, or training in the use of prosthetic and othotic devices,] *(B) testing, fitting, or training in the use of prosthetic and orthotic devices,* (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) *psychiatric,* psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those [handicapped individuals] *individuals with handicaps* who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provisions of such services in the State.

(12) The term "Secretary", except when the context otherwise requires, means the Secretary of Education.

[(13) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure, respiratory pulmonary dysfunction, and any other disablity specified by the Secretary in regulations he shall prescribe.]

(13)(A) Except as provided in subparagraph (B), for purposes of this Act the term "individual with severe handicaps" means an individual with handicaps (as defined in paragraph (7))—

(i) who has a severe physical or mental disability which seriously limits one or more functional capacities (such as mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of employability;

(ii) whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time; and

(iii) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculo-skeletal disor-

ders, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, endstage renal disease, or another disability or combination of disabilities determined on the basis of an evaluation of rehabilitation potential to cause comparable substantial functional limitation.

(B) For purposes of title VII of this Act the term "individual with severe handicaps" means an individual whose ability to function independently in family or community or whose ability to engage or continue in employment is so limited by the severity of this or her physical or mental disability that independent living rehabilitation services are required in order to achieve a greater level of independence in functioning in family or community or engaging or continuing in employment.

(14) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be the Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(15) The term "vocational rehabilitation services" means those services identified in section 103 which are provided to [handicapped individuals] *individuals with handicaps* under this Act.

(16) The term "public or nonprofit agency or organization" shall include an Indian tribe.

(17) The terms "Indian", "American Indian", and "Indian American" mean an individual who is a member of an Indian tribe.

(18) The term "Indian tribe" means any Federal or State Indian tribe, band, rancheria, pueblo, colony, or community, including any Alaskan native village or regional village corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act).

ALLOTMENT PERCENTAGE

SEC. 8. (a)(1) The allotment percentage of any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Secretary between October 1 and December 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the October 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

AUDIT

SEC. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records, which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

NONDUPLICATION

SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approved in accordance with section 101, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any other provision of this Act, except that this section shall not be construed to limit or reduce fees for services rendered by rehabilitation facilities.

APPLICATION OF OTHER LAWS

SEC. 11. The provisions of the Act of December 5, 1974 (Public Law 93-510) and of title V of the Act of October 15, 1977 (Public Law 95-134) shall not apply to the administration of the provisions of this Act or to the administration of any program or activity under this Act.

ADMINISTRATION OF THE ACT

SEC. 12. (a) In carrying out the purposes of this Act, the Commissioner may—

(1) provide consultative services and technical assistance to public or nonprofit private agencies and organizations;

(2) provide short-term training and technical instruction;

(3) conduct special projects and demonstrations;

(4) collect, prepare, publish, and disseminate special educational or informational materials, including reports to the projects for which funds are provided under this Act; and

(5) provide staff and other technical assistance to the National Council on the Handicapped.

(b) In carrying out [his] *the* duties under this Act, the Commissioner may utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or organization, in accordance with agreements between the Commissioner and the head thereof, and may pay therefor, in advance or by way of reimbursement, as may be provided in the agreement.

(c) The Commissioner may promulgate such regulations as [he considers] *are considered* appropriate to carry out his duties under this Act.

(d) There are authorized to be appropriated to carry out this section such sums as may be necessary.

REPORTS

SEC. 13. Not later than one hundred and twenty days after the close of each fiscal year, the Commissioner shall prepare and submit to the President [for transmittal] *and* to the Congress a full and complete report on the activities carried out under this Act, *including the activities and staffing of the information clearinghouse under section 15.* The Commissioner shall annually collect information on each client whose case is closed out in the preceding fiscal year and include the information in the report required by this section. The information shall set forth a complete count of such cases in a manner permiting the greatest possible cross-classification of data. The data elements shall include, but not be limited to, age sex, race, ethnicity, education, type of disability, severity of disability, key rehabilitation process dates, earnings at time of entry into program and at closure, work status, occupation, cost of case services, types of services provided, types of facilities or agencies which furnished services and whether each such facility or agency is public or private, and reasons for closure. The Commissioner shall take whatever action is necessary to assure that the identity of each client for which information is supplied under this subsection is confidential. Such annual reports shall also include statistical data reflecting services and activities provided individuals during the preceding fiscal year. *The annual report shall include an evaluation of the status of individuals with severe handicaps participating in programs under this Act.*

EVALUATION

SEC. 14. (a) The Secretary shall evaluate the impact of all programs authorized by this Act, their general effectiveness in achieving stated goals, and their effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. The Secretary shall establish and use standards for the evaluations required by the subsection. The standards shall, to the extent feasible, for all appropriate programs include standards relating to the increases in employment and earnings taking into account economic factors in the area to be served by the program and the characteristics of the [handicapped] individuals *with handicaps* to be served. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(b) In carrying out evaluations under this section, the Secretary shall, whenever possible arrange to obtain the opinions of program and project participants about the strengths and weaknesses of the programs and projects.

(c) The Secretary shall annually publish summaries of the results of evaluative research and evaluation or program and project impact and effectiveness, *including the standards used for such evaluations*, the full contents of which shall be available to the Congress and the public.

(d) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals and data produced or developed with Federal funds shall become the property of the United States.

(e) Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this section shall be made available [to him,] upon request *of the Secretary*, by the departments and agencies of the executive branch.

(f) There are authorized to be appropriated to carry out this section such sums as may be necessary.

INFORMATION CLEARINGHOUSE

SEC. 15. (a) The Secretary shall establish a central clearinghouse for information and resource availability for [handicapped individuals] *individuals with handicaps* which shall provide information and data regarding (1) the location, provision, and availability of services and programs for [handicapped individuals] *individuals with handicaps*, (2) research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and (3) the current numbers of [handicapped individuals] *individuals with handicaps* and their needs. The clearinghouse shall also provide any other relevant information and data which the Secretary considers appropriate.

(b) The Commissioner may assist the Secretary to develop within the Department of Education a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide information regarding the information and data referred to in subsection (a) of this section to the Congress, public and private agencies and organizations, [handicapped individuals] *individuals with handicaps* and their families, professionals in fields serving such individuals, and the general public.

(c) The office established to carry out the provisions of this section shall be known as the "Office of Information and Resources for the Handicapped".

(d) There are authorized to be appropriated to carry out this section such sums as may be necessary.

TRANSFER OF FUNDS

SEC. 16. No funds appropriated under this Act for any research program or activity may be used for any purpose other than that for which the funds were specifically authorized.

STATE ADMINISTRATION

SEC. 17. The application of any State rule or policy relating to the administration or operation of programs funded by this Act (including any rule or policy based on State interpretation of any Federal law, regulation, or guideline) shall be identified as a State imposed requirement.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 100. (a) The purpose of this title is to authorize grants to assist States to meet the current and future needs of [handicapped individuals] *individuals with handicaps*, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

[(b)(1)(A) For the purpose of making grants to States under part B of this title (other than grants under section 112) to assit them in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $1,037,800,000 for the fiscal year 1984, and the amount determined under subsection (c) for each of the fiscal years 1985, 1986, and 1987.

[(B) In addition, there are authorized to be appropriated for such purpose such additional sums as may be necessary for each of the fiscal years 1985 and 1986. Any amount appropriated pursuant to this subparagraph shall be allocated in accordance with section 110(a)(4).

[(C) In no event may the amount appropriated for the purpose of making grants to States under part B of this title (other than section 112) be more than $1,117,500,000 for the fiscal year 1985 and $1,203,200,000 for the fiscal year 1986.

[(2) For the purpose of allotments under section 120(a)(1), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986. There are further authorized to be appropriated for such purpose for each such year additional sums as the Congress may determine to be necessary.]

(b)(1)(A) For the purpose of making grants to States under part B of this title (other than grants under section 112) to assist States in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $1,301,862,400 for fiscal year 1987 and the amount determined under subsection (c) for each of the fiscal years 1988, 1989, 1990, and 1991.

(B) In addition, there are authorized to be appropriated for such purpose such additional sums as may be necessary for each of the

fiscal years 1987 through 1991. Any such sums shall be allocated in accordance with section 110(a)(4).

(2) For the purpose of allotments under section 120(a)(1), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, 1990, and 1991.

(3) For the purpose of making grants to Indian tribes under part D of this title, there are authorized to be appropriated for each of the fiscal years [1984, 1985, and 1986,] *1987, 1988, 1989, 1990, and 1991,* in addition to any other amounts authorized to be appropriated under this section, such sums as may be necessary for such fiscal year, but not more than an amount equal to 1 percent of the amount appropriated for that fiscal year under paragraph (1) of this subsection.

(c)(1) No later than November 15 of each fiscal year (beginning with the fiscal year 1979), the Secretary of Labor shall publish in the Federal Register the percentage change in the price index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

(2)(A) If in any fiscal year the percentage change published under paragraph (1) indicates an increase in the price index, then the amount authorized to be appropriated under subsection (b)(1) for the subsequent fiscal year is the amount authorized to be appropriated for the fiscal year in which the publication is made under paragraph (1) increased by such percentage change.

(B) If in any fiscal year the percentage change published under paragraph (1) does not indicate an increase in the price index, then the amount authorized to be appropriated under subsection (b)(1) for the subsequent fiscal year is the amount authorized to be appropriated for the fiscal year in which the publication is made under paragraph (1).

(3) For purposes of this subsection, the term "price index" means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

[(d)(1) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year—

[(A) of the authorization of appropriations for the program authorized by the State grant program under part B of this title; or

[(B) of the duration of the program authorized by the State grant program under part B of this title;

either—

[(i) has passed or has formally rejected legislation which would have the effect of extending the authorization or duration (as the case may be) of that program; or

[(ii) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this section shall no longer apply to such program;

such authorization or duration is automatically extended for one additional fiscal year for the program authorized by this title. The amount appropriated for the additional year shall be the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated based upon the amount authorized for fiscal year 1986 and the amount authorized under subsection (c).

[(2)(A) For the purposes of subdivision (i) of paragraph (1), the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

[(B) In any case where Commissioner is required under an applicable statute to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this title, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of paragarph (1) of this subsection which follows subdivision (ii) of paragraph (1) is in operation.]

SEC. 101. (a) In order to be eligible to participate in programs under this title, a State shall submit to the Commissioner a State plan for vocational rehabilitation services for a three-year period and, upon request of the Commissioner, shall make such annual revisions in the plan as may be necessary. Each such plan shall—

(1)(A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized to provide vocational rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State plan, and (ii) the Commissioner, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to [handicapped individuals,] *individuals with handicaps,* and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of that State;

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subclause (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of [handicapped individuals,] *individuals with handicaps,* (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) provide, except in the case of agencies described in clause (1)(B)(i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which [(i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals], *individuals with handicaps*, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work; and

(B)(i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1)(B)(ii), either that such unit shall be located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsbility for the part of the plan under which vocational rehabilitation services are provided for the blind to one organizational unit of such agency, and assign responsibility for the rest of the plan to another organization unit of such agency, with the provisions of this clause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of [handicapped individuals] *individuals with handicaps* or groups of handicapped individuals the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5)(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including *the results of a comprehensive, State-wide assessment of the rehabilitation needs of all individuals with severe handicaps residing within the State and the State's response to the assessment,* a description of the method to be used to expand and improve services to [handicapped individuals] *individuals with handicaps* with the most severe handicaps and a description of the method to be used to utilize existing rehabilitation facilities to the maximum extent feasible; and, in the event that vocational rehabilitation services cannot be provided to all eligible [handicapped] individuals *with handicaps* who apply for such services, [show (i)] *(i) show and provide the justification* the order to be followed in selecting individuals to whom vacational rehabilitation services will be provided and (ii) *show* the outcomes and service goals and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving [handicapped] individuals *with handicaps,* established in regulations prescribed by the Commissioner; and

(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps *and describe the manner in which rehabilitation engineering services will be utilized to provide assistance to such individuals*;

(6)(A) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan (including a requirement that the State agency and facilities in receipt of assistance under this title shall take affirmative action to employ and advance in employment qualified [handicapped] individuals *with handicaps* covered under, and on the same terms and conditions as set forth in, section 503); and

(B) provide satisfactory assurances that facilities used in connection with the delivery of services assisted under the plan will comply with the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968;

(7) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and *qualified* personnel utilized in and the provision of vocational rehabilitation services, but the Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provision, and (C) provisions relating to the establishment and maintenance of minimum standards to assure the availability of personnel, to the maximum extent feasible, trained to communicate in the client's native language or mode of communication;

[(8) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provision of such services to any individual;]

(8) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of section 103(a), and for the provision of such other services as are specified under such section after a determination that comparable services and benefits are not available under any other program, except that,

in the case of the vocational rehabilitation services specified in clauses (4) and (5) of section 103(a), such determination shall not be required where it would delay the provision of such services to any individual;

(9) provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each [handicapped] individual *with handicaps* eligible for vocational rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept, specifying, as to those individuals who apply for services under this title and are determined not to be eligible therefor, the reasons for such determinations in such detail as required by the Commission in order for him to analyze and evaluate annually the reasons for and numbers of such ineligibility determinations as part of his responsibilities under section 13, and that the State agency will at least annually categorize and analyze such reasons and numbers and report this information to the Commissioner and will, not later than 12 months after each such determination, review each such ineligibility determination in accordance with the criteria set forth in section 102;

(10) provide that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (9) of this subsection, periodic estimates of the population of [handicapped] individuals *with handicaps* eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out [his] *the* functions *of the Commissioner* under this title, and comply with such provisions as [he may find] *are* necessary to assure the correctness and verification of such reports;

(11) provide for entering into cooperative arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, *community mental health programs, other programs* for [handicapped] individuals *with handicaps* veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health and Human Services, the Veterans' Administration, and other Federal, State, and local public agencies providing services related to the rehabilitation of [handicapped] individuals *with handicaps* (specifically including arrangements for the coordination of services to individuals eligible for services under this Act, the Education of the Handicapped Act, and the Carl D. Perkins Vocational Education Act);

(12)(A) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community; and

(B) provide (as appropriate) for entering into agreements with the operators of rehabilitation facilities for the provision of services for the rehabilitation of [handicapped] individuals *with handicaps* ;

(13)(A) provide that vocational rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special considerations will be given to the rehabilitation under this Act of [a handicapped individual] *and individual with handicaps* whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities:

(14) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State:

(15) provide for continuing statewide studies of the needs of [handicapped] individuals *with handicaps* and how these needs may be most effectively, met (including the capacity and conditions of rehabilitation facilities, plans for improving such facilities, and policies for the use thereof by the State agency); and review of the efficacy of the criteria employed with respet to ineligibility determinations described in subsclause (C) of clause (9) of this subsection with a view toward the relative need for services to signifcant segments of the population of [handicapped] individuals *with handicaps* and the need for expansion of services to those individuals with the most severe handicaps;

(16) provide for (A) periodic review and reevaluation of the status of [handicapped] individuals *with handicaps* placed in extended employment of the status of [handicapped] individuals *with handicaps* placed in extended employment in rehabilitation facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(17) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provision of section 306 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction;

(18) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to clause (1) (or each State

agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational rehabilitation services (or, in appropriate cases, their parents or guardians), personnel working in the field of vocational rehabilitation, and providers of vocational rehabilitation services;

(19) provide satisfactory assurances to the Commissioner that the continuing studies required under clause (15) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan;

(20) provide satisfactory assurances to the Commissioner that, *as appropriate, the State shall actively consult with Indian tribes and tribal organizations and native Hawaiian organizations in the development of the State plan, and that,* except as otherwise provided in section 130, the State shall provide vocational rehabilitation services to handicapped American Indians residing in the State to the same extent as the State provides such services to other significant segments of the population of ⟦handicapped individuals⟧ *individuals with handicaps* residing in the State;

(21) provide that the State agency has the authority to enter into contracts with profitmaking organizations for the purpose of providing on-the-job training and related programs for ⟦handicapped individuals⟧ *individuals with handicaps* under part B of title VI upon a determination by such agency that such profitmaking organizations are better qualified to provide such rehabilitation services than nonprofit agencies and organizations; ⟦and⟧

(22) provide for the establishment and maintenance of information and referral programs (the staff of which shall include, to the maximum extent feasible, interpreters for the deaf) in sufficient numbers to assure that ⟦handicapped⟧ individuals *with handicaps* within the State are afforded accurate vocational rehabilitation information and appropriate referrals to other Federal and State programs and activities which would benefit them⟦.⟧ *;*

(23)(A) provide satisfactory assurances that in the formulation of the State plan, and any revisions, that the State agency conducts public meetings throughout the State, after appropriate and sufficient notice, to allow interested groups and organizations and all segments of the public an opportunity to comment on the State plan, and (B) include a summary of such comments and the State agency's response to such comments; and

(24) contain the plans, policies, and methods to be followed to assist in the transition from education to employment related activities.

(b) The Commissioner shall approve any plan which ⟦he⟧ *the Commissioner* finds fulfills the conditions specified in subsection (a) of this section, and ⟦he⟧ shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of ⟦his⟧ *the* intention to disapprove its plan, and ⟦he⟧ shall afford such State reasonable notice and opportunity for hearing.

(c)(1) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

(A) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(B) in the administration of the plan there is a failure to comply substantially with any provision of such plan,

the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in **[**his discretion**]** *the discretion of the Commissioner,* that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until **[**he**]** *the Commissioner* is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall limit payments to projects under those parts of the State plan in which there is no such failure).

(2) The Commissioner may, in accordance with regulations the Secretary shall prescribe, disburse any funds withheld from a State under paragraph (1) to any public or nonprofit private organization or agency within such State or to any political subdivision of such State submitting a plan meeting the requirements of subsection (a). The Commissioner may not make any payment under this paragraph unless the entity to which such payment is made has provided assurances to the Commissioner that such entity will contribute, for purposes of carrying out such plan, the same amount as the State would have been obligated to contribute if the State received such payment.

(d)(1) Any State which is dissatisfied with a final determination of the Commissioner under subsection (b) or (c) may file a petition for judicial review of such determination in the United States Court of Appeals for the circuit in which the State is located. Such a petition may be filed only within the thirty-day period beginning on the date notice of such final determination was received by the State. The clerk of the court shall transmit a copy of the petition to the Commissioner or to any officer designated by **[**him**]** *the Commissioner* for that purpose. In accordance with section 2112 of title 28, United States Code, the Commissioner shall file with the court a record of the proceeding on which **[**he**]** *the Commissioner* based the determination being appealed by the State. Until a record is so filed, the Commissioner may modify or set aside any determination made under such proceedings.

(2) If, in an action under this subsection to review a final determination of the Commissioner under subsection (b) or (c), the petitioner or the Commissioner applies to the court for leave to have additional oral submissions or written presentations made respecting such determination, the court may, for good cause shown, order the Commissioner to provide within thirty days an additional opportunity to make such submissions and presentations. Within such period, the Commissioner may revise any findings of fact, modify or set aside the determination being reviewed, or make a new determination by reason of the additional submissions and presentations, and shall file such modified or new determination,

and any revised findings of fact, with the return of such submissions and presentations. The court shall thereafter review such new or modified determination.

(3)(A) Upon the filing of a petition under paragraph (1) for judicial review of a determination, the court shall have jurisdiction (i) to grant appropriate relief as provided in chapter 7 of title 5, United States Code, except for interim relief with respect to a determination under subsection (c), and (ii) except as otherwise provided in subparagraph (B), to review such determination in accordance with chapter 7 of title 5, United States Code.

(B) Section 706 of title 5, United States Code, shall apply to the review of any determination under this subsection, except that the standard for review prescribed by paragraph (2)(E) of such section 706 shall not apply and the court shall hold unlawful and set aside such determination if the court finds that the determination is not supported by substantial evidence in the record of the proceeding submitted pursuant to paragraph (1), as supplemented by any additional submissions and presentations filed under paragraph (2).

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Commissioner shall insure that the individualized written rehabilitation program, or the specification of reasons for a determination of ineligibility prior to initiation of such program based on preliminary diagnosis, required by section 101(a)(9) in the case of each **[**handicapped**]** individual *with handicaps* is developed jointly by the vocational rehabilitation counselor or coordinator and the **[**handicapped**]** individual *with handicaps* (or, in appropriate cases, **[**his**]** *such individual's* parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual, and, as appropriate, such specification of reasons for such an ineligibility determination shall set forth the rights and remedies, including recourse to the process set forth in subsection (b)(5) of this section, available to the individual in question.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, **[**his**]** *such individual's* parents or guardians) will be afforded an opportunity to review such program and jointly redevelop and agree to its terms. Such program shall include, but not be limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals**[**,**]** *based on an assessment determined through an evaluation of rehabilitation potential under section 7(5),* (2) a statement of the specific vocational rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Commissioner shall also insure that (1) in making any determination of ineligibility referred to in subsection (a) of this section, or in developing and carrying out the individualized written rehabilitation program required by section 101 in the case of each [handicapped individual,] *individual with handicaps,* emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, [his] *such individual's* parents or guardians), and only upon the certification, as an amendment to such written program, or as a part of the specification of reasons for an ineligibility determination, as appropriate, that the preliminary diagnosis or evaluation of rehabilitation potential, as appropriate, has demonstrated that such individual is not then capable of achieving such a goal, and (3) any such decision, as an amendment to such written program, shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

(d)(1) [The] *Except as provided in paragraph (3), the* Director of any designated State unit shall establish procedures for the review of determinations made by the rehabilitation counselor or coordinator under this section, upon the request of a handicapped individual *an individual with handicaps* (or, in appropriate cases, [his] *such individual's parents or guardians).* [Such procedures shall include a requirement that the final decision concerning the review of any such determination be made in writing by the Director.] *Such review procedures shall provide an opportunity for the submission of additional evidence and information relevant to a final decision. A final decision shall be made in writing by the Director and shall include a full report of the findings and the grounds for such decision. A copy of such decision shall be provided to the affected individual.* The Director may not delegate [his] responsibility to make any such final decision to any other officer or employee of the designated State unit.

(2) Any [handicapped] individual *with handicaps* (or, in appropriate cases, [his] *such individual's* parent or guardian) who is not satisfied with the final decision made under paragraph (1) by the Director of the designated State unit may request the Secretary to review such decision. Upon such request the Secretary shall conduct such a review and shall make recommendations to the Director as to the appropriate disposition of the matter. The Secretary may not delegate [his responsibilities] *any responsibility of the Secretary* under this paragraph to any officer of the Department of Education who is employed at a position below that of an Assistant Secretary.

(3) A fair hearing board, established by a State before January 1, 1986, and authorized under State law to review determinations under this Act, is authorized to carry out the responsibilities of the Director under this subsection.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render [a handicapped individual *an individual with handicaps*] employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, *evalution by personnel skilled in rehabilitation technology,* examination by a physician skilled in the diagnosis and treatment of mental or emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for [handicapped] individuals, *with handicaps,* including follow-up. follow-along, and [other postemployment services necessary to assist such individuals to maintain their employment and] *specific postemployment services necessary to assist such individuals maintain or regain employment, and other* services designed to help [handicapped] individuals *with handicaps* secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for [handicapped] individuals *with handicaps,* which shall include personal and vocational adjustment, books or other training materials, and services to families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided,* That no training services in institutions of higher education shall be paid for with funds under this title unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for deaf *individuals, and* reader services for those individuals determined to be blind after an exam-

ination by a physician skilled in the disease of the eye or by an optometrist, whichever the individual may select;

(7) recruitment and training services for [handicapped] individuals *with handicaps* to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices, *and rehabilitation engineering services designed to assist individuals with severe handicaps increase their functional abilities and potential for self-sufficiency.*

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, along or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies;

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services (including services offered at rehabilitation facilities) which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized rehabilitation written program of any one [handicapped] individual *with handicaps;*

(3) the use of existing telecommunications systems (including telephone, television, satellite, radio, and other similar systems) which have potential for substantially improving service delivery methods, and the development of appropriate programing to meet the particular needs of [handicapped] individuals *with handicaps;* and

(4) the use of services providing recorded material for the blind and captioned films or video cassettes for the deaf.

NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 104. For the purpose of determining the amount of payments to States for carrying out part B of this title *(or to an Indian tribe under part D of this title),* the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of a facility.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

STATE ALLOTMENTS

SEC. 110. (a)(1) **[For]** *Subject to the provisions of subsection (d), for* each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 100(b)(1) for allotment under section as the product of (A) the population of the State, and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized, to be appropriated for such fiscal year under section 100(b)(1)(A) for allotment under this section in excess of the amount appropriated under section 100(b)(1)(A) for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

(3) The sum of the payment to any State, (other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 100(b)(1)(A), or $3,000,000, whichever is greater, shall be increased to that amount, that total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 100(b)(B), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragaphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

(b)(1) If the payment to a State under section 111(a) for a fiscal year is less than the total payments such State received under section 2 of the Vocational Rehabilitation Act for the fiscal year ending June 30, 1073, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this part) equal to the difference between such payment under section 111(a) and the amount so received by it.

(2) If a State receives as its Federal share under section 111(a) for any fiscal year , [as a result of the maintenance of effort provisions of such section,] less than [80] *75* percent of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 (including any amount expended by such State for the administration of the State plan but excluding any amount expended by such State from non-Federal sources for construction under such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this part, equal to the difference between such payment under section 111(a) and an amount equal to [80] *75* percent of such expenditure for vocational rehabilitation services.

(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

[(c) Whenever the Commissioner determines, after reasonable opportunity for the submission to him of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase, such State's allotment (as determined under the preceding provisions of this section) for such year.]

(c)(1) No later than forty-five days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to him of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

(2) As soon as practicable but no later than the end of the fiscal year, the Commissioner shall make such amount available for carrying out the purposes of this title to one or more other States to the extent the Commissioner determines that such other State will be able to use such additional amount during that fiscal year or to pay for initial expenditures during the subsequent fiscal year for carrying out such purposes.

(3) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

(d)(1) For fiscal year 1987 and for each subsequent fiscal year, the Commissioner shall reserve from the amount authorized to be appropriated under section 100(b)(1) for allotment under this section a sum, determined under paragraph (2), to carry out the purposes of part D of this title.

(2) For any fiscal year the sum shall be not less than ¼ of one percent and not more than one percent of the amount under paragraph (1), as determined by the Secretary.

PAYMENT TO STATES

[SEC. 111. (a) From each State's allotment under this part for any fiscal year (including any additional payment to it under section 110(b), the Commissioner shall pay to such State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) (and its additional payment under subsection (b), if any) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (17) of section 101(a), and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.]

Sec. 111. (a)(1) Except as provided in paragraph (2), from each State's allotment under this part for any fiscal year (including any additional payment to it under section 110(b)), the Commissioner shall pay to the State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for that State approved under section 101, including expenditures for the administration of the State plan.

(2)(A) The total of payments under paragraph (1) to a State for a fiscal year may not exceed its allotment under subsection (a) (and any additional payment under subsection (b)), of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provision of the State plan required by section 101(a)(17).

(B) The amount otherwise payable to a State for a fiscal year under this section shall be reduced by any amount by which expenditures from non-Federal sources under the State plan during such year under this title are less than the average of the total of such expenditures for the three preceding fiscal years.

(C) The Commissioner may waive or modify any requirement or limitation under paragraphs (A) and (B) if the Commissioner determines that a waiver or modification is an equitable response to exceptional or uncontrollable circumstances affecting the State.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by [him] *the Commissioner*, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by [him] *the Commissioner* for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which [he finds that his] *the Commissioner finds that the* estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

CLIENT ASSISTANCE PROGRAM

Sec. 112. (a) From funds appropriated under subsection (i), the Secetary shall, in accordance with this section, make grants to States to establish and carry out client assistance programs to provide assistance in informing and advising all clients and client applicants of all available benefits under this Act, and, upon request of such clients or client applicants, to assist such clients or applicants in their relationships with projects, programs, and facilities providing services to them under this Act, including assistance in pursuing legal, administrative, or other appropriate remedies to ensure the protection of the rights of such individuals under this Act.

(b) No State may receive payments from its allotment under this Act in any fiscal year unless the State has in effect not later than October 1, 1984, a client assistance program, which—

(1) has the authority to pursue legal, administrative, and other appropriate remedies to ensure the protection of rights of [handicapped] individuals *with handicaps* who are receiving treatments, services, or rehabilitation under this Act within the State; and

(2) meets the requirements of designation under subsection (c).

(c)(1) The Governor shall designate a public or private agency to conduct the client assistance program under this section. Except as provided in the last sentence of this paragraph, the Governor shall designate an agency which is independent of any agency which provides treatment, services, or rehabilitation to individuals under this Act. If there is an agency in the State which has, or had, prior to the date of enactment of the Rehabilitation Amendments of 1984, served as a client assistance agency under this section and which received Federal financial assistance under this Act, the Governor may designate an agency which provides treatment, services, or rehabilitation to [handicapped] individuals *with handi-*

caps under this Act. *After the date of enactment of the Rehabilitation Act Amendments of 1986, the Governor may remove an agency designated under this subsection only for good cause.*

(2) In carrying out the provisions of this section, the Governor shall consult with the director of the State vocational rehabilitation agency, the head of the developmental disability protection and advocacy agency, and with representatives of professional and consumer organizations serving [handicap] individuals *with handicaps* in the State.

(3) The agency designated under this subsection shall be accountable for the proper use of funds made available to the agency.

(d) The agency designated under subsection (c) of this section may not bring any class action in carrying out its responsibilities under this section.

(e)(1)(A) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than $50,000.

(B) The Secretary shall allot $30,000 each to American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(C) For the purpose of this paragraph, the term "State" does not include American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(D)(i) Subject to clause (ii), the Commissioner may increase the minimum allotment under subparagraph (A) for any fiscal year for which funds appropriated under this section for that fiscal year exceed sums appropriated under this section for the preceding fiscal year by more than the percentage increase in the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

(ii) An increase in the minimum allotment for a State under clause (i) may not result in a decrease in an allotment to any other State.

(2) The amount of an allotment to a State for a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotment shall be available for reallotment by the Secretary [from time to time on such dates he may fix] *at appropriate times* to other States with respect to which such a determination has not been made, in proportion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any such amount so reallotted to a State for a fiscal year shall be deemed to be a part of its allotment for such fiscal year.

[(3)(A) The Secretary shall pay to the Governor from the allotment of the State the amount specified in the application approved under subsection (f).

[(B) For the purpose of this paragraph and subsection (c), the term "Governor" means the chief executive of the State.]

(3) Except as specifically prohibited by or as otherwise provided in State law, the Secretary shall pay to the agency designated under subsection (c) the amount specified in the application approved under subsection (f).

(f) No grant may be made under this section unless the State submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary to meet the requirements of this section.

(g) The Secretary shall prescribe regulations applicable to the client assistance program which shall include the following requirements:

(1) No employees of such programs shall, while so employed, serve as staff or consultants of, or receive benefits of any kind directly or indirectly from, any rehabilitation project, program, or facility receiving assistance under this Act in the State.

(2) Each program shall be afforded reasonable access to policymaking and administrative personnel in the State and local rehabilitation programs, projects, or facilities.

(3) Each program shall contain provisions designed to assure that to the maximum extent possible mediation procedures are used prior to resorting to administrative or legal remedies.

(4) The agency designated under subsection (c) shall submit an annual report to the Secretary on the operation of the program during the previous year, including a summary of the work done and the uniform statistical tabulation of all cases handled by such program. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Secretary, together with a summary of such reports and his evaluation of the program, including appropriate recommendations.

(h)(1) The Commissioner shall conduct a comprehensive evaluation of the client assistance program authorized by this section, and submit a report to Congress, not later than February 1, 1986.

(2) In conducting the study required by this subsection, the Commissioner shall address and report the following information for each State that received a client assistance program grant. The study shall include—

(A) the numbers of [handicapped] individuals *with handicaps* assisted through the client assistance program;

(B) the handicapping conditions of the individuals assisted, and the proportion each type of individuals represents of the total population assisted;

(C) the types of services provided, cross-referenced to types of [handicapped] individuals *with handicaps* assisted through each service;

(D) the type of organization or agency which administers the client assistance program;

(E) the physical proximity of the client assistance program to the State vocational rehabilitation agency; and

(F) the type of organizational structure used by the client assistance program to deliver services.

(3) In conducting the study the Commissioner shall make the following comparisons:

(A) differences in service delivery patterns in client assistance programs in urban and rural areas

(B) differences in service delivery patterns among client assistance programs administered in various organization settings; and

(C) differences in service delivery patterns among client assistance programs established after this reauthorization and those that were established prior to this reauthorization.

(4) The report shall include such recommendations, including recommendations for legislative proposals, as the Commissioner deems necessary.

[(i) There are authorized to be appropriated $6,000,000 for the fiscal year 1984, $6,300,000 for the fiscal year 1985, and $6,700,000 for the fiscal year 1986.]

(i) There are authorized to be appropriated for the purposes of this section such sums as may be necessary for each of the fiscal years 1987 through 1991.

PART C—INNOVATION AND EXPANSION GRANTS

STATE ALLOTMENTS

SEC. 120. (a)(1) From the sums available pursuant to section 100 (b)(2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $50,000 shall be increased to that amount, and for the fiscal year ending June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a)(2)(A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of five years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than $50,000.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, [he] *the Commissioner* shall make such amount available for carrying out the purposes of this section to one or more other States which [he] *the Commission* determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section for such year.

PAYMENTS TO STATES

SEC. 121. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State or, at the option of the State agency designated pursuant to section 101(a)(1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including—

(1) programs to initiate or expand such services to individuals with the most severe handicaps;

(2) special programs under such State plan to initiate or expand services to classes of [handicapped] individuals *with handicaps* who have unusual or difficult problems in connection with their rehabilitation; and

(3) programs to maximize the use of technological innovations in meeting the employment training needs of handicapped youth and adults.

Payments may also be made under this section for the costs of the construction of facilities to be used in providing services under such State plan if provision for such construction is included in such State plan. The Commissioner may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Commissioner. Any grant of funds under this section which will be used for direct services to [handicapped] individuals *with handicaps* or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through [the fiscal year ending September 30, 1986.] *fiscal year 1991.* Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commissioner finds necessary to carry out the purposes of this section.

PART D—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES.

VOCATIONAL REHABILITATION SERVICES GRANTS

[SEC. 130. (a) The Commissioner, in accordance with the provisions of this part, may make grants to the governing bodies of Indian tribes located on Federal and State reservations to pay 90 percent of the costs of vocational rehabilitation services for handicapped American Indians residing on such reservations.]

Sec. 130. (a) The Commissioner, in accordance with the provisions of this part may make grants to the governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay 90 percent of the costs of vocational rehabilitation services for handicapped American Indians residing on such reservations. The non-Federal share of such costs may be in cash or in kind, fairly valued, and the Commissioner may waive such non-Federal share requirement in order to carry out the purposes of this Act.

(b)(1) No grant may be made under this part for any fiscal year unless an application therefor has been submitted to and approved by the Commissioner. The Commissioner may not approve an application unless the application—

(A) is made at such time, in such manner, and contains such information as the Commissioner may require;

(B) contains assurances that the rehabilitation services provided under this part to handicapped American Indians residing on a reservation in a State shall be, to the maximum extent feasible, comparable to rehabilitation services provided under this title to other [handicapped] individuals *with handicaps* residing in the State *and that, where appropriate, may include services traditionally used by Indian tribes;* and

(C) contains assurances that the application was developed in consultation with the designated State unit of the State.

(2) The provisions of sections 5, 6, 7, and 102(a) of the Indian Self-Determination and Education Assistance Act shall be applicable to any application submitted under this part. For purposes of this paragraph, any reference in any such provision to the Secretary of Health, Education, and Welfare or to the Secretary of the Interior shall be considered to be a reference to the Commissioner.

(3) Any application approved under this part shall be effective for not less than twelve months *or more than 36 months,* except as determined otherwise by the Commissioner pursuant to prescribed regulations. The State shall continue to provide vocational rehabilitation services under its State plan to American Indians residing on a reservation whenever such State includes any such American Indians in its State population under section 110(a)(1).

(4) In making grants under this part, the Secretary shall give priority consideration to applications for the continuation of programs which have been funded under this part.

[(d) For the purpose of computing the allotment of any State under section 110(a), the number of American Indians residing on a reservation to be served by a grant under this part shall be subtracted from the population used for such State in section 110(a)(1) as follows:

[(1) 33 percent of such American Indians in the first fiscal year during which such Indians are served by grants under this part;

[(2) 66 percent of such American Indians in the second fiscal year during which such Indians are served by grants under this part; and

[(3) 100 percent of such American Indians in the third fiscal year during which such Indians are served by grants under this part.]

[(e)] *(c)* The term "reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

EVALUATION

SEC. 131. Not less than thirty months after the date of the enactment of the Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978, the Secretary shall submit to the Congress an evaluation of the programs conducted under this part. Such evaluation shall be conducted by persons other than persons immediately responsible for administration of such programs. Such evaluation shall include—

(1) an examination of the comparability of vocational rehabilitation services provided under this part to services provided to other [handicapped] individuals *with handicaps* under section 101; [and]

(2) an assessment of the extent to which governing bodies of Indian tribes receiving grants under this part have made services under such grants available to all handicapped American Indians residing on reservations served by such grants [.]*; and*

(3) an evaluation of the nature and extent of cooperative efforts between programs conducted under this part and other vocational rehabilitation programs under this Act.

STUDY OF NEEDS OF AMERICAN INDIANS WITH HANDICAPS

SEC. 132. The Secretary shall conduct a study on the special problems and needs of Indians with handicaps both on and off the reservation, in consultation with the Director of the Office of Special Education and Rehabilitation Services, the Director of the National Institute of Handicapped Research, the Assistant Secretary of the Interior for Indian Affairs, the Director of Indian Health Services, representatives of affected Indian tribes and tribal groups, and other appropriate officials, organizations, and individuals. Not later than 12 months after the date of enactment of the Rehabilitation Act Amendments of 1986, the Secretary shall submit the results of such study, together with such recommendations as are appropriate, to the President and to the appropriate committees of the Congress.

TITLE II—RESEARCH AND TRAINING

DECLARATION OF PURPOSE

SEC. 200. The purpose of this title is to—

(1) provide for a comprehensive and coordinated approach to the administration and conduct of research, demonstration projects, and related activities for the rehabilitation of [handicapped individuals] *individuals with handicaps,* including programs designed to train persons who provide rehabilitation

services and persons who conduct research, by authorizing Federal assistance in accordance with a plan for rehabilitation research developed under this title;

(2) facilitate the distribution of information concerning developments in rehabilitation procedures, methods, and devices to rehabilitation professionals and to [handicapped individuals] *individuals with handicaps* to assist such individuals to live more independently;

(3) improve the distribution of technological devices and equipment for [handicapped individuals] *individuals with handicaps* by providing financial support for the development and distribution of such devices and equipment; and

(4) increase the scientific technological information presently available in the field of rehabilitation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) There are authorized to be appropriated—

(1) for the purpose of providing for the expenses of the National [Institute of Handicapped Research] *years 1987 through 1991; and* under section 202, other than expenses to carry out section 204, such sums as may be necessary for fiscal [year 1984, and for each of the two succeeding fiscal years; and] *years 1987 through 1991; and*

[(2) for purpose of carrying out section 204, $36,000,000 for the fiscal year 1984, $40,000,000 for the fiscal year 1985, and $44,000,000 for the fiscal year 1986.]

(2) for the purpose of carrying out section 204, such sums as may be necessary for each of the fiscal years 1987 through 1991.

(b) Funds appropriated under this title shall remain available until expended.

[NATIONAL INSTITUTE OF HANDICAPPED RESEARCH] NATIONAL *RESEARCH INSTITUTE ON DISABILITY AND REHABILITATION*

SEC. 202. (a) In order to promote and coordinate research with respect to [handicapped] individuals *with handicaps* and to more effectively carry out the programs under section 204, there is established within the Department of Education a [National Institute of Handicapped Research] *National Research Institute on Disability and Rehabilitation* (hereinafter in this title referred to as the "Institute"), which shall be headed by a Director (hereinafter in this title referred to as the "Director"). In the performance of [his functions,] *the functions of the office,* the Director shall be directly responsible to the Secretary or to the same Under Secretary or Assistant Secretary of the Department of Education to whom the Commissioner is responsible under section 3(a) of this Act.

(b) The Director, through the Institute, shall be responsible for—

(1) administering the programs described in section 204;

(2) disseminating information acquired through research funded by the Institute to other Federal, State, *tribal,* and local public agencies and to private organizations engaged in research relating to rehabilitation or providing rehabilitation services;

(3) coordinating, through the Interagency Committee established by section 203 of this Act, all Federal programs and policies relating to research in rehabilitation;

(4) disseminating educational materials to primary and secondary schools, institutions of higher education, and to public and private entities concerning how the quality of life of [handicapped individuals] *individuals with handicaps,* including information relating to family care and self care;

(5) conducting an education program to inform the public about ways of providing for the rehabilitation of [handicapped individuals] *individuals with handicaps,* including information relating to family care and self care;

(6) conducting conferences, seminars, and workshops (including in-service training programs) concerning research and engineering advances in rehabilitation pertinent to the problems of [handicapped individuals] *individuals with handicaps;*

(7) taking whatever action is necessary to keep the Congress fully and currently informed with respect to the implementation and conduct of programs and activities carried out under this title; and

(8) producing, in conjunction with the Department of Labor, the National Center for Health Statistics, the Bureau of the Census, the Social Security Administration, *the Bureau of Indian Affairs, the Indian Health Service,* and other Federal departments and agencies, as may be appropriate, statistical reports and studies on the employment, health, income, and other demograhic characteristics of [handicapped] individuals *with handicaps* and disseminating such reports and studies to rehabilitation professionals and others to assist in the planning and evaluation of vocational and other rehabilitation services for the handicapped.

[(c)(1) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be an individual with substantial experience in rehabilitation and in research administration. The Director shall be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. In carrying out any of his functions under this section, the Director shall be guided by general policies of the National Council on the Handicapped established in title IV. The Director shall not delegate any of his functions to any officer who is not directly responsible to him.]

(c)(1) The Director of the Institute shall be appointed by the Secretary and shall report directly to the Assistant Secretary for Special Education and Rehabilitative Services. The position of Director shall be compensated at the rate provided for grade GS-18 of the General Schedule under section 5104 of title 5, United States Code, and shall be a Senior Executive Service position for the purposes of section 3132(a)(2) of such title. The Director shall be an individual with substantial experience in rehabilitation and in research administration. In carrying out any of the functions of the office under this section the Director shall be guided by the general policies of the National Council on the Handicapped established in title

IV. The Director may not delegate any functions of that office to any officer who is not directly responsible to the Director.

(2) There shall be a Deputy Director of the Institute (hereinafter in this section referred to as the "Deputy Director") who shall be appointed by the Secretary. The Deputy Director shall be compensated at the rate provided for grade GS-17 of the General Schedule under section 5332 of title 5, United States Code, and shall act for the Director during the absence or disability of the Director, exercising such powers as the Director may prescribe. In the case of any vacancy in the office of the Director, the Deputy Director shall serve as Director until a Director is appointed under paragraph (1). The position created by this paragraph shall be in addition to the number of positions placed in grade GS-17 of the General Schedule under section 5108 of title 5, United States Code.

(3) The Director, subject to the approval of the President, may appoint, for terms not to exceed three years, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, and may compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical and professional employees of the Institute as the Director deems necessary to accomplish the functions of the Institute and also appoint and compensate without regard to such provisions in a number not to exceed one-fifth of the number of fulltime, regular technical and professional employees of the Institute.

(4) The Director may obtain the services of consultants, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(d) The Director, pursuant to regulations which the Secretary shall prescribe, may establish and maintain fellowships with such stipends and allowances, including travel and subsistence expenses provided for under title 5, United States Code, as the Director considers necessary to procure the assistance of highly qualified research fellows from the United States and foreign countries.

(e) The Director shall, pursuant to regulations which the Secretary shall prescribe, provide for scientific review of all research grants and programs over which [he] *the Director* has authority by utilizing, to the maximum extent possible, appropriate peer review groups established within the Institute and composed of non-Federal scientists and other experts in the rehabilitation field.

(f) Not less than 90 percent of the funds appropriated under paragraph (2) of section 201(a) to carry out section 204 shall be expended by the Director to carry out such section through grants or contracts with qualified public or private agencies and individuals.

(g) The Director shall develop and submit to appropriate committees of the Congress within eighteen months after the effective date of this section a long-range plan for rehabilitaiton research which shall—

(1) identify any research which should be conducted respecting the problems encountered by [handicapped] individuals *with handicaps* in their daily activities, especially problems related to employment;

(2) determine the funding priorities for research activities under this section and explain the basis for such priorities, in-

cluding a detailed description of any new types of research recommended under this paragraph for funding; and

(3) specify appropriate goals and timetables for activities to be conducted under this section.

The plan required by this subsection shall be developed by the Director in the consultation with the Commissioner, the National Council on the Handicapped established under the title IV, the Secretary of Education, officials responsible for the administration of the Developmental Disabilities Assistance and Bill of Rights Act, the Interagency Committee established by section 203, and any other persons or entities the Director considers appropriate. Such plan shall be reviewed at least once every three years and may be revised at any time by the Director to the extent [he considers] necessary.

(h) In order to promote cooperation among Federal departments and agencies conducting research programs, the Director shall consult with the administrators of such programs, and with the Interagency Committee established by section 203, regarding the design of research projects conducted by such entities and the results and applications of such research.

(ik)(1) The Director shall take [whatever actions he considers] appropriate *actions* to provide for a comprehensive and coordinated research program under this title. In providing such a program, the Director may undertake joint activities with other Federal entities engaged in research and with appropriate private entities. Any Federal entity proposing to establish any research project related to the purpose of this Act shall consult, through the Interagency Committee established by section 203, with the Director [in his role of Chairman] *as Chairperson* of such Committee and provide the Director with sufficient prior opportunity to comment on such project.

(2) Any person responsible for administering any program of the National Institutes of Health, the Veterans' Administration, the National Science Foundation, the National Aeronautics and Space Administration, the Office of Special Education and Rehabilitation Service, or of any other Federal entity, shall, through the Interagency Committee established by section 203, consult and cooperate with the Director in carrying out such program if the program is related to the purposes of this section.

(j)(1) The Director shall make a grant to an institution of higher education for the establishment of a program of pediatric rehabilitation research at an institution of higher education.

(2) The Director shall establish, either directly or by way of grant or contract, a Research and Training Center in the Pacific Basin.

(3) The Director shall establish, directly or by grant or contract, a center associated with an institution of higher education, for research and training concerning the delivery of rehabilitation services to rural areas.

(k) The Director shall make grants to institutions of higher education, for training of researchers in the field of rehabilitation of individuals with handicaps.

(l) The Director shall submit to the Congress, not later than one year after the date of the enactment of the Rehabilitation Act Amendments of 1986, policy recommendations for the establishment

by the Congress of an agency designed to ensure (1) the development and cost-effective production and marketing of technological devices; and (2) the efficient distribution of such technology to individuals with handicaps. Such recommendations shall specifically evaluate the feasibility of the chartering by Congress of a private organization or the establishment of a joint public-private corporation to provide marketing and production-related services to the public and private sectors. The policy recommendation shall include suggested funding alternatives for an organization or agency and such other suggestions as the Director or the Committee on Handicapped Research may consider appropriate. Further such recommendations shall consider any potential conflicts of interest in the evaluation and marketing of new products for use by individuals with handicaps. In developing such policy recommendations, the Director shall solicit the views of the Interagency Committee on Handicapped Research and shall submit any dissenting views offered by any member of that Committee together with the submission of policy recommendations.

(m) The Director shall conduct a study of health insurance practices and policies which affect individuals with handicaps. Not later than February 1, 1990, the Director shall submit a report of the study to the appropriate committees of the Congress.

INTERAGENCY COMMITTEE

SEC. 203(a)(1) In order to promote coordination and cooperation among Federal departments and agencies conducting rehabilitation research programs, there is established within the Federal Government an Interagency Committee on Handicapped Research (hereinafter in this section referred to as the "Committee"), chaired by the Director and comprised of such members as the President may designate, including the following (or their designees): the Director, the Secretary of Education, the Administrator of Veterans' Affairs, the Director of the National Institutes of Health, the Administrator of the National Aeronautics and Space Administration, the Secretary of Transportation, *the Assistant Secretary of the Interior for Indian Affairs, the Director of the Indian Health Service,* and the Director of the National Science Foundation.

(2) The Committee shall meet not less than four times each year.

(b) The Committee shall identify, assess, and seek to coordinate all Federal programs, activities, and projects, and plans for such programs, activities, and projects with respect to the conduct of research related to rehabilitation of **[**handicapped**]** individuals *with handicaps.*

(c) The Committee, not later than eighteen months after the date of enactment of this section, and annually thereafter, shall submit to the President and to the appropriate committees of the Congress a report making such recommendations as the Committee deems appropriate with respect to coordination of policy and development of objectives and priorities for all Federal programs relating to the conduct of research related to rehabilitation of **[**handicapped**]** individuals *with handicaps.*

RESEARCH

SEC. 204. (a) The Director may make grants to and contracts with States and public or private agencies and organizations, including institutions of higher education, *Indian tribes, and tribal organizations,* to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational and other rehabilitation services to [handicapped] individuals *with handicaps,* especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques, including basic research where related to rehabilitation techniques or services; studies and analysis of industrial, vocational, social, psychiatric, psychological, economic, and other factors affecting rehabilitation of [handicapped] individuals *with handicaps;* special problems of homebound and institutionalized individuals; studies, analyses, and demonstrations of architectural and engineering design adapted to meet the special needs of [handicapped] individuals *with handicaps; studies, analyses, and other activities related to supported employment;* and related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of [handicapped] individuals *with handicaps* and individual with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Director may make grants to pay part or all of the cost of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of (A) providing training (including graduate training) to assist individuals to more effectively provide rehabilitation services, (B) providing coordinated and advanced programs of research in rehabilitation, and (C) providing training (including graduate training) for rehabilitation research and other rehabilitation personnel. The research to be carried out at each Center shall be determined on the basis of the particular needs of [handicapped] individuals *with handicaps* in the geographic area served by the Center (and as appropriate shall include consideration of rural issues), and may include basic or applied medical rehabilitation research, research regarding the psychological and social aspects of rehabilitation, and research related to vocational rehabilitation. The Centers shall be encouraged to develop practical applications for the findings of their research. Grants may include funds for services rendered by such a center to [handicapped] individuals *with handicaps* in connection with such research and training activities. Rehabilitation Research and Training Centers shall include both comprehensive centers dealing with multiple disabilities and centers focused on particular disabilities. Grants to Centers need not be automatically terminated at the end of a project period and may be renewed on the basis of a thorough evaluation and peer review including sites visits. Training of students preparing to be rehabilitation personnel through

centers shall be an important priority. Grants may include faculty support for teaching of rehabilitation related courses of study for credit and courses offered by the institutions of higher education affiliated with the Center. *Except Centers which have received a grant under this section before the date of enactment of the Rehabilitation Act Amendments of 1986, a Center shall receive a grant under this section of not less than $400,000 for each fiscal year. No grant exceeding $400,000 for any fiscal year may be awarded under this section unless the peer review of the grant includes consideration of past performance.*

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop *and disseminate* innovative methods of applying advanced medical technology, scientific achievement, and psychiatric, psychological, and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of [handicapped] individuals *with handicaps* and for reducing environmental barriers, [and to] (B) *demonstrate innovative models for the delivery to rural and urban areas of cost-effective rehabilitation engineering services that promote utilization of engineering and other scientific research to assist in meeting the employment and independent living needs of individuals with severe handicaps, and to (C)* cooperate with State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of [handicapped] individuals *with handicaps.*

(3) Conduct of a program for spinal cord injury research, to include support of spinal code injuries projects and demonstrations established pursuant to sections 310 and 311, which will (A) insure dissemination of research findings among all such centers (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigator, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, inorder to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigations. *In the award of grants under this paragraph the Director shall take into account the location of any proposed Center and the appropriate geographic and regional allocation of such Centers.*

(4) Conduct a program for end-stage renal disease research, to include support of projects and demonstrations for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individuals suffering from such disease and which will (A) insure dissemination of research findings, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the inter-

change of data and reports among investigators in the field of end-stage renal disease. No person shall be selected to participate in such program who is eligible for services for such disease under any other provision of law.

(5) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of [handicapped] individuals *with handicaps* in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of the [handicapped] individuals *with handicaps*, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of [handicapped] individuals *with handicaps* with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(6) Conduct of a research program concerning the use of existing telecommunications systems (including telephone, television, satellite, radio, and other similar systems) which have the potential for substantially improving service delivery methods, and the development of appropriate programing to meet the particular needs of [handicapped] individuals *with handicaps.*

(7) Conduct of a program of joint projects with the National Institutes of Health, the Health Services Administration, the Administration on Aging, the National Science Foundation, the Veterans' Administration, the Department of Health and Human Services, the National Aeronautics and Space Administration, other Federal agencies, and private industry in areas of joint interest involving rehabilitation.

(8) Conduct of a program of research related to the rehabilitation of handicapped children and [handicapped] individuals *with handicaps* who are aged sixty or older, *except that research concerning handicapped Indian Americans shall include those 55 and older.*

(9) Conduct of a research program to develop and demonstrate innovative methods to attract and retain professionals to serve in rural areas in the rehabilitation of handicapped and [severely handicapped individuals] *individuals with severe handicaps.*

(10) Conduct of a model research and demonstration project designed to assess the feasibility of establishing a center for producing and distributing to deaf individuals captioned video cassettes providing a broad range of educational, cultural, scientific, and vocational programing.

(11) Conduct a model research and demonstration program to develop innovative methods of providing services for preschool age handicapped children, including the following: (A) early intervention, parent counseling, infant stimulation, early identification, diagnosis, and evaluation of severely handicapped children up to the age of five, with a special emphasis on severely handicapped children up to the age of three; (B) [such physical therapy, language development, pediatric, nursing, and psychiatric services as are necessary for such children; and (C) appropriate services for the parents of such children, including psychiatric services, parent counseling, and training.] *such physical therapy, language development, pediatric, nursing, psychological, and psychiatric services as are necessary for such children; and (C) appropriate services for the*

parents of such children, including psychological and psychiatric services, parent counseling, and training.

(12) Conduct of a model research and training program under which model training centers shall be established to develop and use more advanced and effective methods of evaluating and developing the employment potential of [handicapped] individuals *with handicaps*, including programs which—

(A) provide training and continuing education for personnel involved with the employment of [handicapped] individuals *with handicaps*;

(B) develop model procedures for testing and evaluating the employment potential of [handicapped] individuals *with handicaps*;

(C) develop model training programs to teach [handicapped] individuals *with handicaps* skills which will lead to appropriate employment;

(D) develop new approaches for job placement of [handicapped individuals] *individuals with handicaps*, including new followup procedures relating to such placement; and

(E) provide information services regarding education, training, employment, and job placement for [handicapped] individuals *with handicaps*.

(13) Conduct of a rehabilitation research program under which financial assistance is provided in order to (A) test new concepts and innovative ideals, (B) demonstrate research results of high potential benefits, (C) purchase prototype aids and devices for evaluation, (D) develop unique rehabilitation training curricula, and (E) be responsive to special initiatives of the Director. No single grant under this paragraph may exceed $50,000 in any fiscal year and all payments made under this paragraph in any fiscal year may not exceed 5 per centum of the amount available under section 204 to the National [Institute of Handicapped Research] *Research Institute on Disability and Rehabilitation* in any fiscal year. Regulations and administrative procedures with respect to financial assistance under this paragraph shall, to the maximum extent possible, be expedited.

(14) Conduct of studies of the rehabilitation needs of American Indian populations and of effective mechanisms for the delivery of rehabilitation services to Indians residing on and off reservations.

(c) The provisions of section 306 shall apply to assistance provided under this section, unless the context indicates to the contrary.

TITLE III—SUPPLEMENTARY SERVICES AND FACILITIES

Part A—Construction and Training Programs

DECLARATION OF PURPOSE

Sec. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities and authorize such staffing as the Commissioner deems appropriate;

(2) authorize grants and contracts to assist in the provision of vocational training services to [handicapped] individuals *with handicaps*;

(3) authorize grants for special projects and demonstrations which hold promise of expanding or otherwise improving rehabilitation services to [handicapped] individuals *with handicaps*, including individuals with spinal cord injuries, older blind individuals, and deaf individuals whose maximum vocational potential has not been reached, which experiment with new types of patterns of services or devices for the rehabilitation of [handicapped individuals], *individuals with handicaps* (including opportunities for new careers for [handicapped individuals] *individuals with handicaps*, and for other individuals in programs serving handicapped individuals) and which provide vocational rehabilitation services to handicapped migratory agricultural workers or seasonal farmworkers; and

(4) establish uniform grant and contract requirements for programs assisted under this title and certain other provisions of this Act.

GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, staffing, and planning assistance, there is authorized to be appropriated such sums as may be necessary for each [fiscal year ending before October 1, 1986.] of the fiscal years 1987, 1988, 1989, 1990, and 1991. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or staffing grants made under this section prior to October 1, [1987.] *1992*.

(b)(1) The Commissioner is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Commission under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 306.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a))), in such State except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b)(2) of section 645 of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Commissioner is also authorized to make grants to assist in the staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs (determined in accordance with regulations the Commissioner shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

(d) The Commissioner is also authorized to make grants upon application approved by the State agency designed under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

VOCATIONAL TRAINING SERVICES FOR [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

SEC. 302. (a) For the purpose of making grants and entering into contracts under this section, there are authorized to be appropriated such sums as may be necessary for each [fiscal year ending before October 1, 1986.] *of the fiscal years 1987, 1988, 1989, 1990, and 1991.*

(b)(1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to [handicapped] individuals *with handicaps,* especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2)(A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to individuals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed $30 plus $10 for each of the individual's dependents, or $70, whichever is less. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of training services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Commissioner may make a grant for a project pursuant to the subsection only [on his determination] *if the Commissioner determines* that (A) the purpose of such project is to prepare [handicapped] individuals *with handicaps* especially those with the most severe handicaps, for gainful and suitable employment, *including supported employment;* (B) the individuals to receive

training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of [his] *that individual's* need for such services; and (D) the project, including the participating rehabilitation facility and the training services provided, meet such other requirements as [he] *the Commissioner* may prescribe in regulations for carrying out the purposes of this subsection.

(c)(1) The Commissioner is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the Federal share of the cost of projects to analyze, improve, and increase their professional services to [handicapped] individuals *with handicaps,* their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

LOAN GUARANTEES FOR REHABILITATION FACILITIES

SEC. 303. (a) It is the purpose of this section to assist and encourage the provision of needed facilities for programs for [handicapped] individuals *with handicaps* primarily served by State rehabilitation programs.

(b) The Commissioner may, in accordance with this section and subject to section 306, guarantee the payment of principal and interest on loans made to nonprofit private entities by non-Federal lenders and by the Federal Financing Bank for the construction of rehabilitation facilities, including equipment used in their operation.

(c) In the case of a guarantee of any loan to a nonprofit private entity under this section, the Commissioner shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by 2 percent per annum the net effective interest rate otherwise payable on such loan. Each holder of a loan which is guaranteed under this section shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

(d) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed $100,000,000.

(e)(1) The Commissioner may not approve a loan guarantee for a project under this section unless [he] *the Commissioner* determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this section.

(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this section the amount of any payment made pursuant to such guarantee, unless the Commissioner for good cause waives such right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(B) To the extent permitted by subparagraph (CA), any terms and conditions applicable to a loan guarantee under this section (including terms and conditions imposed under paragraph (1)) may be modified by the Commissioner to the extent [he considers] *considered* consistent with the interest of the United States.

(C) Any loan guarantee made by the Commissioner under this section shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or [his] *a* successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or [his] *a* successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(D) Guarantees of loan under this section shall be subject to such further terms and conditions as the Commissioner considers necessary to assure that the purposes of this section will be achieved

(f)(1) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Commissioner without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts—

[(A) to enable him to discharge his responsibilities under loan guarantees issued by him under this section; and]

(A) to enable the Commissioner to discharge the responsibilities under loan guarantees issued under this section; and

(B) for payment of interest under subsection (c) on loans guaranteed under this section.

There are authorized to be appropriated such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Commissioner in connection with loan guarantees under this section and other property or assets derived by [him from his] *the Commissioner from* operations respecting such loan guarantees, including any money derived from the sale of assets.

(2)(A) If at any time the sums in the fund are insufficient to enable the Commissioner—

(i) to make payments of interest under subsection (c); or

(ii) to otherwise comply with guarantees under this section of loans to nonprofit private entities;

[he] *the Commissioner* is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denomi-

nations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

(B) Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations.

(C) The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph, and for that purpose [he] *the Secretary* may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act. The purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by [him] *the Secretary* under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transaction of the United States.

(D) Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from the fund.

TRAINING

SEC. 304. (a) The Commissioner may make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the costs of projects for training, traineeships, and related activities designed to assist in increasing the numbers of qualified personnel trained in providing vocational, medical, social, and psychological rehabilitation services to [handicapped] individuals *with handicaps*, including (1) personnel specially trained in providing employment assistance to [handicapped] individuals *with handicaps* through job development and job placement services, *personnel specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with severe handicaps,* [(2)] *(3)* personnel specifically trained to deliver services to individuals who may benefit from receiving comprehensive services for independent living, personnel specifically trained to deliver services in client assistance [program,, and] *program, and* [(3)] *(4)* personnel trained in performing other functions necessary to the development of such services. *Recipients of grants or contracts under this section shall give due regard to the training of individuals with handicaps as part of the effort to increase the number of qualified personnel available to provide rehabilitation services.* In carrying out the provisions of this subsection, the Commissioner shall, in addition to furnishing training in the services provided under this Act to rehabilitation counselors, furnish training to such counselors in the applicability of the provisions of section 504.

(b)*(1)* In making such grants or contracts, funds made available for any year shall be targeted to areas of personnel shortage which may include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychiatry, rehabilitation psychology, *rehabilitation engineering,* physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in providing services to blind and deaf individuals, specialized personnel in providing job development and job placement services for [handicapped individuals,] *individuals with handicaps, specialized personnel in providing employment training for supported employment,* recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of [handicapped] individuals *individuals with handicaps, specialized personnel in providing employment training for supported employment,* including homebound and institutionalized individuals and [handicapped] individuals *with handicaps* with limited English-speaking ability. [No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.]

(2)(A) Except as provided in subparagraph (B), no grant under this section may be used to provide any one course of study to an individual for a period of more than 4 years.

(B) If the grant recipient determines that an individual has a handicap which seriously affects the completion of training under this section, the grant recipient may modify the limitation under subparagraph (A).

(3) A recipient of a grant or contract under this section shall provide assurances that each individual who receives a scholarship utilizing funds provided under such grant or contract shall enter into an agreement with the recipient under which the individual shall—

> *(A) within the ten-year period after completing the training for which the scholarship was awarded, maintain employment in a nonprofit rehabilitation agency on a fulltime basis for a period of not less than two years for each year for which assistance was received; and*
>
> *(B) repay all or part of any scholarship received, plus interest, if the individual does not fulfill the requirements of subparagraph (A), except as the Secretary may provide for repayment exceptions and deferrals in regulations.*

(c) The Commissioner shall evaluate the impact of the training programs conducted under this section, shall determine training needs for qualified personnel necessary to provide services to [handcapped] individuals *with handicaps,* and shall develop a long-term rehabilitation manpower plan designed to target resources on areas of personnel shortage. The Commissioner shall prepare and submit to the Congress, simultaneously with the budget submission for the succeeding fiscal year for the Rehabilitation Services Administration, a report setting forth and justifying in detail how the training funds for the fiscal year prior to such submission are allocated by professional discipline and other program areas. The report shall also contain findings on personnel shortages, how funds proposed for the succeeding fiscal year will be allocated under the President's budget proposal, and how the findings of personnel shortages jusifiy the allocations.

(d)(1) For the purpose of training a sufficient number of interpreters to meet the communications needs of deaf individuals, the

Secretary, through the Office of Information and Resources for the Handicapped, may award grants under this section to any public or private nonprofit agency or organization to establish interpreter training programs or to provide financial assistance for ongoing interpreter training programs. Not more than twelve programs shall be established or assisted by grants under this section. The Secretary shall award grants for programs in such geographic areas throughout the United States as the Secretary considers appropriate to best carry out the purpose of this section. Priority shall be given to public or private nonprofit agencies or organizations with existing programs that have demonstrated their capacity for providing interpreter training services.

(2) No grant shall be awarded under this section unless the applicant has submitted an application to the Secretary in such form, and in a accordance with such procedures, as the Secretary may require. Any such application shall—

(A) describe the manner, in which an interpreter training program would be developed and operated during the five-year period following the award of any grant under this section;

(B) demonstrate the applicant's capacity or potential for providing training for interpreters for deaf individuals;

(C) provide assurance that any interpreter trained or retrained under such program shall meet such minimum standards of competency as the Secretary may establish for purposes of this section;

(D) provide assurances that (i) to the extent appropriate, the applicant shall provide for the training or retraining (including short-term and in-service training) of teachers who are involved in providing instruction to deaf individuals but who are not certified as teachers of deaf individuals, and (ii) funds for such in-service training shall be provided under this section only through funds appropriated under the Education for All Handicapped Children Act; and

(E) contain such other information as the Secretary may require.

(e)(1) The Commissioner is authorized to provide technical assistance to State rehabiliation agencies and rehabilitation facilities, directly or through contracts with State vocational rehabilitation agencies or nonprofit organizations.

(2) An expert or consultant appointed or serving under contract pursuant to this section shall be compensated at a rate subject to approval of the Commissioner which shall not exceed the daily rate payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code. Such an expert or consultant may be allowed travel and transportation expenses in accordance with section 5703 of title 5, United States Code.

[(e) There are authorized to be appropriated to carry out this section, $22,000,000 for the fiscal year 1984, $27,000,000 for the fiscal year 1985, and $31,000,000 for the fiscal year 1986.] *(f) There are authorized to be appropriated to carry out this section, such sums as may be necessary for each of the fiscal years 1987 and 1991.* There are further authorized to be appropriated for each such fiscal year such additional sums as the Congress may determine to be necessary to carry out this section.

COMPREHENSIVE REHABILITATION CENTERS

SEC. 305. (a)(1) In order to provide a focal point in communities for the development and delivery of services designed primarily for handicapped persons, the Commissioner may make grants to any designated State to establish and operate comprehensive rehabilitation centers. The centers shall be established in order to provide a broad range of services to [handicapped] individuals *with handicaps,* including information and referral services, counseling services, and job placement, health, educational, social, and recreational services, as well as to provide facilities for recreational activities.

(2) To the maximum extent practicable, such centers shall provide, upon request, to local governmental units and other public and private nonprofit entities located in the area such information and technical assistance (including support personnel such as interpreters for the deaf) as may be necessary to assist those entities in complying with this Act, particularly the requirements of section 504.

(b) No grant may be made under this section unless an application therefor has been submitted to and approved by the Commissioner. The Commissioner may not approve an application for a grant unless the application—

(1) contains assurances that the designated State unit will use funds provided by such grant in accordance with subsections (c) and (d); and

(2) contains such other information, and is submitted in such form and in accordance with such procedures, as the Commissioner may require.

(c)(1) The designated State unit may—

(A) in accordance with subsection (e) make grants to units of general purpose local government or to other public or nonprofit private agencies or organizations and may make contracts with any agency or organization to pay not to exceed 80 percent of the cost of—

(i) leasing facilities to serve as comprehensive rehabilitation centers;

(ii) expanding, remodeling, or altering facilities to the extent necessary to adapt them to serve as comprehensive rehabilitation centers;

(iii) operating such centers; or

(iv) carrying out any combination of the activities specified in this subparagraph; and

(B) directly carry out the activities described in subparagraph (A), except that not more than 80 percent of the costs of providing any comprehensive rehabilitation center may be provided from funds under this section.

[(3)]*(2)* Funds made available to any designated State unit under this section for the purpose of assisting in the operation of a comprehensive rehabilitation center may be used to compensate professional and technical personnel required to operate the center and to deliver services in the center, and to provide equipment for the center.

(d)(1) The designated State unit may approve a grant or enter into a contract under subsection (c) only if the application for such grant or contract meets the requirements specified in paragraphs (1), (2), (4), and (5) of section 306(b) and if the application contains assurances that any facility assisted by such grant or contract shall be in reasonably close proximity to the majority of individuals eligible to use the comprehensive rehabilitation center.

(2) Any designated State unit which directly provides for comprehensive rehabilitation centers under subsection (c)(1)(B) shall use funds under this section in the same manner as any other grant recipient is required to use such funds.

(e) If within 20 years after the completion of any construction project for which funds have been paid under this section—

(1) the owner of the facility ceases to be a public or nonprofit private agency or organization, or

(2) the facility ceases to be used for the purposes for which it was leased or constructed (unless the Commissioner determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so),

the United States shall be entitled to recover from the grant recipient or other owner of the facility an amount which bears the same ratio to the value of the facility (or so much thereof as constituted an approved project or projects) at the time the United States seeks recovery as the amount of such Federal funds bore to the cost of renovating the facility under subsection (c)(1)(A)(ii). Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

(f) The requirements of section 306 shall not apply to funds allotted under this section, except that subsections (g) and (h) of such section shall be applicable with respect to such funds.

⟦(g) There are authorized to be appropriated to carry out this section such sums as may be necessary for for each of the fiscal years 1984, 1985, and 1986.⟧

(g) There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, 1990, and 1991.

GENERAL GRANT AND CONTRACT REQUIREMENTS

SEC. 306. (a) The provisions of this section shall apply to all projects approved and assisted under this title, except as otherwise provided in section ⟦305(g).⟧ *305(f).* The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under section 302.

(b) To be approved, an application for assistance for a construction project, or for a project which involves construction, under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the

project is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which the Commissioner shall submit to the Secretary for inclusion (in summarized form) in the annual report submitted to the Congress under section 13;

(4) be accompanied or supplemented by plans and specifications which have been approved by the Board established by section 502, in which due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90-480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (42 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefore, the amount of such grant or contract determined under this title. In case an amendment to an approved application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facilities is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

(f) A project for construction of a rehabilitation facility which is primarily a workshop may, where approved by the Commissioner as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of [handicapped individuals] *individuals with handicaps.*

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to [handicapped] individuals *with handicaps* or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

Part B—Special Projects and Supplementary Services

AUTHORIZATION OF APPROPRIATIONS

[Sec. 310. (a) For the purpose of carrying out this part (other than section 316), there are authorized to be appropriated $12,900,000 for fiscal year 1984, $13,600,000 for fiscal year 1985, and $14,300,000 for fiscal year 1986.]

Sec. 310. (a) For the purpose of carrying out this part (other than section 316), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1987 through 1991.

(b) Of the amounts appropriated for any fiscal year under subsection (a), 5 percent of such amount shall be available in such fiscal year only for the purpose of making grants under section 312. There is further authorized to be appropriated for each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under section 312, an amount of $5,000,000 for each such fiscal year.

SPECIAL DEMONSTRATION PROGRAMS

Sec. 311. (a) Subject to the provisions of section 306, the Commissioner may make grants to States and to public or nonprofit agencies and organizations to pay part or all of the costs of special projects and demonstrations (including related research and evaluation) for—

(1) establishing programs and, where appropriate, constructing facilities for providing vocational rehabilitation services, which hold promise of expanding or otherwise improving rehabilitation services to [handicapped] individuals *with handi-*

caps (especially those with the most severe handicaps), including blind or deaf individuals, irrespective of age or vocational potential, who can benefit from comprehensive services;

(2) applying new types or patterns of services or devices for [handicapped] individuals *with handicaps* (including programs for providing [handicapped] individuals *with handicaps,* or other individuals in programs servicing [handicapped] individuals *with handicaps,* with opportunities for new careers); [and]

(3) operating programs and, where appropriate, renovating and constructing facilities to demonstrate methods of making recreational activities fully accessible to [handicapped] individuals[.] *with handicaps; and*

(4) operating programs to meet the special needs of isolated populations of individuals with handicaps, particularly among American Indians residing on or outside of reservations.

The Director of the National [Institute of Handicapped Research] *Research Institute on Disability and Rehabilitation* may make grants to States and to public or nonprofit agencies and organizations to pay part or all of the costs of special projects and demonstrations for spinal cord injuries.

(b) Any project or demonstration assisted by a grant under this section which provides services to individuals with special cord injuries shall—

(1) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational and other rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries, including acute care as well as periodic inpatient or outpatient followup and services;

(2) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(3) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries; and

(4) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities.

The Director of the National Institute of Handicapped Research shall coordinate each grant made under this subsection with the Commissioner.

(c)(1) The Commissioner may make grants to public and nonprofit agencies and organizations to pay part of all of the costs of special projects and demonstrations including research and evaluation for handicapped youths to provide job training and prepare them for entry into the labor force. Such projects shall be designed to demonstrate cooperative efforts between local educational agencies, business and industry, vocational rehabilitation programs, and organizations representing labor and organizations responsible for promoting or assisting in local economic development.

(2) Services under this subsection may include—

(A) jobs search assistance;

(B) on-the-job training;

(C) job development including worksite modification and use of advanced learning technology for skills training;

(D) dissemination of information on program activities to business and industry; and

(E) followup services for individuals placed in employment.

(3) The Commissioner shall assure that projects shall be coordinated with other projects assisted under section 626 of the Education of the Handicapped Act.

(d)(1) The Commissioner may make grants to public and nonprofit rehabilitation facilities, designated State units, and other public and private agencies and organizations for the cost of developing special projects and demonstrations providing supported employment.

(2) Not less than one such grant shall be nationwide in scope. Such grant shall (A) identify community-based models that can be replicated, (B) identify impediments to the development of supported employment programs (including funding and cost considerations), and (3) develop a mechanism to utilize existing community-based facilities and programs.

(3) On June 1, 1988, and on each subsequent June 1, the Commissioner shall submit a report to the Congress on activities funded under this subsection for the preceding fiscal year which includes: (A) a list of the grants awarded under this subsection, (B) the number of individuals with severe disabilities served by each grant recipient, the average cost to provide support services to each such individuals, and the average wage paid to each such individual, and (C) the recommendations of the projects under paragraph (2).

(4) For any fiscal year, a State may use funds under title I of this Act for training and traditional short-term postemployment services for supported employment for individuals with severe handicaps for whom competitive employment has not traditionally occurred. Supported employment may be paid for out of funds under this title, Federal funds from other programs, or non-Federal sources.

(5) For purposes of this section, the term "supported employment" means competitive work in integrated work settings for individuals with severe handicaps for whom competitive employment has not traditionally occurred and who, because of their handicap, need intensive, on-going support services to perform such work.

MIGRATORY WORKERS

SEC. 312. The Commissioner, subject to the provisions of section 306, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational rehabilitation services to [handicapped individuals] *individuals with handicaps* as determined in accordance with rules prescribed by the Secretary of Labor, who are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other [handicapped individuals] *with handicaps* in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This section shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farm-workers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

READER SERVICES FOR THE BLIND

SEC. 314. (a) The Commissioner may award grants to States or to private nonprofit agencies or organizations of national scope (as so determined by the Commissioner) to—

(1) provide reading services to blind persons who are not otherwise eligible for such services through other State or Federal programs; and

(2) expend the quality and scope of reading services available to blind persons, and to assure to the maximum extent possible that the reading services provided under this Act will meet the reading need of blind persons attending institutions, providing elementary, secondary, or post-secondary education, and will be adequate to assist blind persons to obtain and continue in employment.

Any State which receives a grant under this section shall administer the reading services for which such grant is awarded through the designated State unit of the State.

(b) No grant shall be awarded under this section unless the applicant has submitted an application to the Secretary in such form, at such time, and containing such information as the Secretary may require.

(c) For purposes of this section, the term "reading services" means—

(1) the employment of persons who, by reading aloud, can afford blind persons ready access to printed information;

(2) the transcription of printed information into braille or sound recordings if such transcription is performed pursuant to individual requests from blind persons for such services;

(3) the storage and distribution of braille materials and sound recordings;

(4) the purchase, storage, and distribution of equipment and materials necessary for the production, duplication, and reproduction of braille materials and sound recordings;

(5) the purchase, storage, and distribution of equipment to blind persons to provide them with individual access to printed materials by mechanical or electronic means; and

(6) radio reading services for blind persons.

INTERPRETER SERVICES FOR THE DEAF

SEC. 315. (a) The Commissioner may make grants to designated State units to establish within each State a program of interpreter services (including interpreter referral services) which shall be made available to deaf individuals and to any public agency or private nonprofit organization involved in the delivery of assistance or services to deaf individuals.

(b) No grant may be made under this section unless an application therefor is submitted to the Commissioner in such form, at such times, and in accordance with such procedures as the Commissioner may require. Such application shall—

(1) provide assurances that the program to be conducted under this section will be operated in areas within the State which are specifically selected to provide convenient locations for the provision of services to the maximum number of deaf individuals feasible;

(2) include a plan which describes, in sufficient detail, the manner in which interpreter referral services will be coordinated with the information and referral programs required under section 101(a)(22);

(3) provide assurances that the program will seek to enter into contractual or other arrangements, to the extent appropriate, with private nonprofit organizations comprised of primarily hearing-impaired individuals (or private nonprofit organizations which have the primary purpose of providing assistance or services to hearing-impaired individuals) for the operation of such programs.

(4) provide that any interpreter participating in the program shall be required to meet minimum standards established by the Commissioner; and

(5) contain such other information as the Secretary may require.

(c) Any designated State unit receiving funds under this section may provide interpreter services, without cost, for a period of not to exceed one year to any public agency or private nonprofit organization which provides assistance to deaf individuals. At the end of such period, agencies or organizations receiving such services through referrals shall reimburse the designated State unit for the costs of such services. Funds may also be used for the purchase or rental of equipment necessary to provide assistance or services to deaf individuals.

(d) Funds provided to any designated State unit for any program under this section shall not be used for any administrative or related costs, nor shall such funds be used for assistance to deaf individuals who are receiving rehabilitation services under any other provision of this Act.

SPECIAL RECREATIONAL PROGRAMS

SEC. 316. (a) The Commissioner, subject to the provisions of section 306, shall make grants to State and public nonprofit agencies and organizations for paying part or all of the cost of initiation of recreation programs to provide [handicapped individuals] individuals with handicaps with recreational activities to aid in the mobility and socialization of such individuals. The activities authorized to be assisted under this section may include, but are not limited to, scouting and camping, 4-H activities, sports, music, dancing, handicrafts, art, and homemaking. No grant may be made under the provisions of this section unless the agreement with respect to such grant contains provisions to assure that, to the extent possible, existing resources will be used to carry out the activities for which the grant is to be made, and that with respect to children the activities for which the grant is to be made will be conducted after school.

[(b) There are authorized to be appropriated to carry out this section $2,000,000 for the fiscal year 1984, $2,100,000 for the fiscal year 1985, and $2,200,000 for this fiscal year 1986.]

(b) There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1987 through 1991.

TITLE IV—NATIONAL COUNCIL ON THE HANDICAPPED

ESTABLISHMENT OF NATIONAL COUNCIL ON THE HANDICAPPED

SEC. 400. (a) There is established within the Federal Government a National Council on the Handicapped (hereinafter in this title referred to as the "National Council"), which shall be composed of fifteen members appointed by the President, by and with the advice and consent of the Senate. The members of the National Council shall be appointed so as to be representative of [handicapped individuals,] individuals with handicaps, national organizations concerned with the handicapped, providers and administrators of services to the handicapped, individuals engaged in conducting medical or scientific research relating to [handicapped individuals,] individuals with handicaps, business concerns, and labor organizations. At least five members of the National Council shall be [handicapped individuals,] individuals with handicaps, or parents or guardians of [handicapped individuals,] individuals with handicaps.

(b)(1) Members of the National Council shall be appointed to serve for terms of three years, except that of the members first appointed—

(A) five shall serve for terms of one year,

(B) five shall serve for terms of two years, and

(C) five shall serve for terms of three years,

as designated by the President at the time of appointment.

(2) Members may be reappointed and may serve after the expiration of their terms until their successors have taken office.

(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which [his] such member's predecessor was appointed shall be appointed only for the remainder of such term.

(c) The President shall designate the [Chairman] Chairperson from among the members appointed to the National Council. The National Council shall meet at the call of the [Chairman] Chairperson, but not less often than four times each year.

(d) Eight members of the National Council shall constitute a quorum and any vacany in the National Council shall not affect its power to function.

DUTIES OF NATIONAL COUNCIL

SEC. 401. (a) The National Council shall—

(1) establish general policies for, and review the operation of, the [National Institute of Handicapped Research] *National Research Institute on Disability and Rehabilitation*;

(2) provide advice to the Commissioner with respect to the policies of and conduct of the Rehabilitation Services Administration;

(3) advise the President, the Congress, the Commissioner, the appropriate Assistant Secretary of the Department of Education, and the Director of the [National Institute of Handicapped Research] *National Research Institute on Disability and Rehabititation on the development of the programs to be and Rehabilitation* on the development of the programs to be carried out under this Act;
programs, and activities concerning [handicapped individuals] *individuals with handicaps* and persons with developmental disabilities conducted or assisted by Federal departments and agencies, including programs established or assisted under this Act or under the Developmental Disabilities Assistance and Bill of Rights Act, in order to assess the effectiveness of such policies, programs, and activities in meeting the needs of [handicapped individuals] *individuals with handicaps;*

(5) make recommendations to the President, the Congress, the Secretary, and the Director of the [National Institute of Handicapped Research] *National Research Institute on Disability and Rehabilitation* respecting ways to improve research concerning [handicapped individuals,] *individuals with handicaps,* the administration of services for [handicapped individuals], *individuals with handicaps,* and the methods of collecting and disseminating the findings of such research, and make recommendations for facilitating the implementation of programs based upon such findings;

(6) submit not later than March 31 of each year (beginning in 1980) an annual report to the Congress, and the President, containing (A) a statement of the Current status of research concerning the handicapped in the United States, (B) a review of the activities of the Rehabilitation Services Administration and the [National Institute of Handicapped Research,] *National Research Institute on Disability and Rehabilitation,* and (C) such recommendations respecting the items described in clauses (A) and (B) as the National Council considers appropriate; and

(7) provide to the Congress on a continuing basis advice, recommendations, and any additional information which the Council or the Congress deems appropriate.

[(b) The National Council shall—

[(1) review all statutes pertaining to Federal programs which assist handicapped individuals;

[(2) make a priority listing of such programs based on the number of handicapped individuals such programs assist and the Federal costs of such programs;

[(3) assess the extent to which such programs provide incentives or disincentives to the establishment of community-based services for handicapped individuals, promote the full integration of such individuals in the community, in schools, and in the workplace, and contribute to the independence and dignity of such individuals;

[(4) recommend to the President and the Congress legislative proposals for increasing incentives and eliminating disincentives in Federal programs based on the assessment made pursuant to clause (3); and

[(5) prepare and submit a final report to the President and to the Congress not later than February 1, 1986, on the review, assessment, and recommendations required by this subsection.]

(b)(1) The National Council, in consultation with appropriate organizations, and Federal, State, and local agencies, shall develop a system of national information and data collection on individuals with handicaps. Such information shall include data on health, housing, employment, insurance, transportation recreation, and education. The system shall include information on the current status and trends in the status of individuals with handicaps. Such system shall use existing data sources when possible.

(2) Not later than January 1, 1988, the Council shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a plan for the development and implementation of such system.

(3) On February 1, 1989, and biennially thereafter, the Council shall submit a report to the President and the Congress on the status of individuals with handicaps and changes in their status from previous years.

COMPENSATION OF NATIONAL COUNCIL MEMBERS

SEC. 402. (a) Members of the National Council shall be entitled to receive compensation at a rate equal to the rate of basic pay payable for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime, for each day they are engaged in the performance of their duties as members of the National Council.

(b) Members of the National Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the National Council except for compensation for travel expenses as provided under subsection (c) of this section.

(c) While away from their homes or regular places of business in the performance of services for the National Council, members of the National Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

STAFF OF NATIONAL COUNCIL

SEC. 403. (a)(1) The National Council may appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, or the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, an Executive Director to assist the National Council to carry out its duties. The Executive Director shall be appointed from among individuals who are experienced in the planning or operation of programs for [handicapped individuals.] *individuals with handicaps.*

(2) The Executive Director is authorized to hire not to exceed seven technical and professional employees to assist the National Council to carry out its duties.

(b)(1) The National Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code (but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code).

(2) The National Council may—

(A) accept voluntary and uncompensated services, notwithstanding the provisions of section 1342 of title 31, United States Code;

(B) accept, in the name of the Council, employ and dispose of in furtherance of this Act, any money, or property, real or personal, or mixed, tangible or nontangible, received by gift, devise, bequest, or otherwise; and

(C) enter into contracts and cooperative agreements with Federal and State agencies, private firms, institutions, and individuals for the conduct of research and surveys, preparation of reports and other activities necessary to the discharge of the Council's duties and responsibilities.

(3) Not more than 10 per centum of the total amounts available to the National Council in each fiscal year may be used for official representation and reception.

(4) From the amount available to the Office of Special Education and Rehabilitative Services, Department of Education, $500,000 in fiscal year 1984 shall be transferred and made available to the Nation Council.

(c) The Administator of General Services shall provide to the National Council on a reimbursable basis such administrative support services as the Council may request.

ADMINISTRATIVE POWERS OF NATIONAL COUNCIL

SEC. 404. (a) The National Council may prescribe such bylaws and rules as may be necessary to carry out its duties under this title.

(b) The National Council may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable.

(c) The National Council may appoint advisory committees to assist the National Council in carrying out its duties. The members thereof shall serve without compensation.

(d) The National Council may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

AUTHORIZATION OF APPROPRIATIONS

Sec. 405. There are authorized to be appropriated to carry out this tile such sums as may be necessary.

TITLE V—MISCELLANEOUS

EFFECT ON EXISTING LAW

Sec. 500. (a) The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety days after the date of enactment of this Act and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1973. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under the Vocational Rehabilitation Act will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

(b) The authorizations of appropriations in the Vocational Rehabilitation Act are hereby extended at the level specified for the fiscal year 1972 for the fiscal year 1973.

EMPLOYMENT OF HANDICAPPED INDIVIDUALS

Sec. 501. (a) There is established within the Federal Goverment an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of such members as the President may select, including the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Office of Personnel Management, the Administrator of Veterans' Affairs, and the Secretaries of Labor and Education and Health and Human Services. The Secretary of Education and the Chairman of the Office of Personnel Management shall serve as co-chairman of the Committee. The resources of the President's Committees on Employment of the Handicapped and on Mental Retardation shall be made fully available to the Committee. It shall be the purpose and function of the Committee (1) to provide a focus for Federal and other employment of [handicapped individuals,] *individuals with handicaps,* and to review, on a periodic basis, in cooperation with the Office of Personnel Management, the adequacy of hiring, placement, and advancement practices with respect to [handicapped individuals,] *individuals with handicaps,* by each department, agency, and instrumentality in the executive branch of Government, and to insure that the special needs of such individuals are being met; and (2) to consult with the Office of Personnel Management to assist the Office to carry out its reponsibilities under sections (b), (c), and (d) of this section. On the basis of such review and consultation, the Committee shall periodically make to the Office of Personnel Management such recommendations for legislative and administrative changes as it deems necessary or desirable. The Office of Personnel Management shall timely transmit to the appropriate committees of Congress any such recommendations.

(b) Each department, agency, and instrumentality (includng the United States Postal Service and the Postal Rate Office) in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Office of Personnel Management and to the Committee an affirmative action program plan for the hiring, placement, and advancement of [handicapped individuals,] *individuals with handicaps,* in such department, agency, or instrumentalty. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met. Such plan shall be updated annually, and shall be reviewed annually and approved by the Office, if the Office determines, after consultation with the Committee, that such plan provides sufficient assurances, procedures, and commitments to provide adequate hiring, placement, and advancement opportunities for [handicapped individuals,] *individuals with handicaps.*

(c) The Office of Personnel Management, after consultation with the Committee, shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals who have recieved rehabilitation, services under State vocational rehabilitation programs, veterans' programs, or any other program for [handicapped individuals,] *individuals with handicaps,* including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Office of Personnel Management, after consultation with the Committee, shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of and achievements in hiring, placement, and advancement of [handicapped individuals] *individuals with handicaps* by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation which have been submitted to the Office of Personnel Management under subsection (a) of this section, or other appropriate action to insure the adequacy of such practices. Such report shall also include an evaluation by the Committee of the effectiveness of [the] activities of the Office of Personnel Management under subsection (b) and (c) of this section.

(e) An individual who, as a part of [his] *a* individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leaves, unemployment compensation, and Federal employee benefits.

(f)(1) The Secretary of Labor and the Secretary of Education are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified [handicapped individuals.] *individuals with handicaps.*

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 502. (a)(1) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed as follows:

(A) [Eleven] *Twelve* members shall be appointed by the President from among members of the general public of whom [five] *six* shall be [handicapped individuals.] *individuals with handicaps.*

(B) The remaining members shall be the heads of each of the following departments or agencies (or their designees whose positions are executive level IV or higher):

(i) Department of Health and Human Services.
(ii) Department of Transportation.
(iii) Department of Housing and Urban Development.
(iv) Department of Labor.
(v) Department of the Interior.
(vi) Department of Defense.
(vii) Department of Justice.
(viii) General Services Administration.
(ix) Veterans' Administration.
(x) United States Postal Service.
(xi) Department of Education.

[The President shall appoint the first Chairman of such Board who shall serve for a term of not more than two years; thereafter, the Chairman shall be elected by a vote of a majority of the Board for a term of one year.] *The Chairperson and vice-chairperson of the Board shall be elected by majority vote of members of the Board to serve for terms of one year. When the chairperson is a member of the general public, the vice-chairperson shall be a Federal official; and when the chairperson is a Federal official, the vice-chairperson shall be a member of the general public. Upon the expiration of the term as chairperson of a member who is a Federal official, the subsequent chairperson shall be a member of the general public; and vice versa.*

(2) The term of office of each appointed member of the Board shall be three years; except that (i) the members first taking office shall serve, as designated by the President at the time of appointment, four for a term of one year, four for a term of two years, and three for a term of three years, [and (ii) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.] *(ii) a member whose term has expired may continue to serve until a successor has been appointed, and (iii) a member appointed to fill a vacancy shall serve for the*

remainder of the term to which that member's predecessor was appointed.

(3) If any appointed member of the Board becomes a Federal employee, such member may continue as a member of the Board for not longer than the sixty-day period beginning on the date he becomes such an employee.

(4) No individual appointed under paragraph (1)(A) of this subsection who has served as a member of the Board may be reappointed to the Board more than once unless such individual has not served on the Board for a period of two years prior to the effective date of such individual's appointment.

(5)(A) Members of the Board who are not regular full-time employees of the United States shall, while serving on the business of the Board, be entitled to receive compensation at rates fixed by the President, but not to exceed the daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, including traveltime, for each day they are engaged in the performance of their duties as members of the Board; and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties under this section.

(6)(A) The Board shall establish such bylaws and other rules as may be appropriate to enable the Board to carry out its functions under this Act.

(B) The bylaws shall include quorum requirements. The quorum requirements shall provide that (i) a proxy may not be counted for purposes of establishing a quorum, and (ii) not less than half the members required for a quorum shall be members of the general public appointed under paragraph (2)(A).

(B) Members of the Board who are employed by the Federal Government shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties under this section.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed pursuant to the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968 (including the application of that Act of the United States Postal Service) including but not limited to enforcing all standards under that Act, and insuring that all waivers and modifications of standards are based upon findings of fact and are not inconsistent with the provisions of such Act and this section; (2) investigate and examine alternative approaches to the architectural, transportation, communication, and attitudinal barriers confronting [handicapped individuals,] *individuals with handicaps,* particularly with respect to telecommunication devices, public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make to the President and to Congress reports which shall describe in detail the results to its investigations under clauses (2) and (3) of this subsection; (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable to eliminate the barriers described in clause (2) of this subsection; (7) establish minimum guidelines and requirements for the standards issued pursuant to the Act of August 12, 1968, as amended, commonly known as the Architectural Barriers Act of 1968; and (8) insure that public conveyances, includng rolling stock, are readily accessible to, and usable by, physically handicapped persons.

(c) The Board shall also (1)(A) determine how and to what extent transportation barriers impede the mobility of ⟦handicapped individuals⟧ *individuals with handicaps,* and aged ⟦handicapped individuals⟧ *individuals with handicaps,* and consider ways in which travel expenses in connection with transportation to and from work for ⟦handicapped individuals⟧ *individuals with handicaps,* can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of ⟦handicapped individuals⟧ *individuals with handicaps*; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new or expanded transportation systems and (B) to make housing available and accessible to ⟦handicapped individuals⟧ *individuals with handicaps* or to meet sheltered housing needs; and (3) prepare plans and proposals for such further actions as may be necessary to the goals of adequate transportation and housing for ⟦handicapped individuals⟧ *individuals with handicaps,* including proposals for bringing together in a cooperative effort, agencies, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(d)(1) In carrying out its functions under this Act, the Board shall, directly or through grants to public or private nonprofit organizations or contracts with private nonprofit or forprofit organizations, carry out its functions under subsections (b) and (c) of this section, and shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Acts cited in subsection (b). Except as provided in paragraph (3) of subsection (e), the provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review. Any such order affecting any Federal department, agency, or instrumentality of the United States shall be final and binding on such department, agency, or instrumentality. An order of compliance may include the withholding or suspension of Federal funds with respect to any building or public conveyance or rolling stock found not to be in compliance with standards enforced under this section. Pursuant to chapter 7 of title 5, United States Code, any complainant or participant in a proceeding under this subsection may obtain review of a final order issued in such proceeding.

(2) The Executive Director is authorized, at the direction of the Board—

(A) to bring a civil action in any appropriate United States district court to enforce, in whole or in part, any, final order of the Board under this subsection; and

(B) to intervene, appear, and participate, or to appear as amicus curiae, in any court of the United States or in any court of a State in civil actions which related to this section or to the Architectural Barriers Act of 1968.

Except as provided in section 518(a) of title 28, United States Code, relating to litigation before the Supreme Court, the executive director may appear for and represent the Board in any civil litigation brought under this section.

(3) The Board, in consultation and coordination with other concerned Federal departments and agencies and agencies within the Department of Health, Education, and Welfare, shall develop standards and provide appropriate technical assistance to any public or private activity, person, or entity affected by regulations prescribed pursuant to this title with respect overcoming to architectural, transportation, and communication barriers. Any funds appropriated to any such department or agency for the purpose of providing such assistance may be transferred to the Board for the purpose of carrying out this paragraph. The Board may arrange to carry out its responsibilities under this paragraph through such other departments and agencies for such peirods as the Board determines is appropriate. In carrying out its technical assistance responsibililties under this paragraph, the Board shall establish a procedure to insure separation of its compliance and technical assistance responsibilities under this section.

(e)(1) There shall be appointed by the Board and executive director and such other professional and clerical personnel as are necessary to carry out its functions under this Act. The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(2) The Executive Director shall exercise general supervision over all personnel employed by the Board (other than hearing examiners and their assistants). The Executive Director shall have final authority on behalf of the Board, with respect to the investigation of alleged noncompliance in the issuance of formal complaints before the Board, and shall have such other duties as the Board may prescribe.

(3) For the purpose of this section, an order of compliance issued by a hearing examiner shall be deemed to be an order of the Board and shall be the final order for the purpose of judicial review.

(f) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this section, and the Board may appoint such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section. Special advisory and technical experts and consultants appointed pursuant to this subsection shall, while performing their functions under this section, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the daily pay rate, for a person employed as a GS-18 under section 5332 of title 45, United States Code, including traveltime, and while serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistance, as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(g) The Board shall, at the end of each fiscal year, report its activities during the preceding fiscal year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (5) and (6) of subsection (b) of this section. The Board shall prepare two final reports of its activities in the field of transportation barriers to [handicapped individuals,] *individuals with handicaps,* and the other such report shall be on its activities in the field of the housing needs of [handicapped individuals.] *individuals with handicaps.* The Board shall, not later than September 30, 1975, submit each such report, together with its recommendations, to the President and the Congress. The Board shall also prepare for such submissions an interim report of its activities in each such field within 18 months after the date of enactment of this Act.

(h)(1) Within one year following the enactment of this subsection, the Board shall submit to the President and the Congress a report containing an assessment of the amounts required to be expended by States and by political subdivisions thereof to provide [handicapped individuals] *individuals with handicaps* with full access to all programs and activities receiving Federal assistance.

(2) The Board may make grants to, or enter into contracts with, public or private organizations to carry out its duties under subsections (b) and (c). The Board may also make grants to any designated State unit for the purpose of conducting studies to provide the cost assessments required by paragraph (1). Before including in such report the findings of any study conducted for the Board under a grant or contract to provide the Board with such cost assessments, the Board shall take all necessary steps to validate the accuracy of any such findings.

(i) There are authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section such sums as may be necessary for each [fiscal year ending before October 1, 1986,] *of the fiscal years 1987, 1988, 1989, 1990, and 1991,* but in no event shall the amount appropriated for any one fiscal year exceed $3,000,000.

EMPLOYMENT UNDER FEDERAL CONTRACTS

SEC. 503. (a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the

United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified **[**handicapped individuals**]** *individuals with handicaps* as defined in section 7(7). The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any **[**handicapped individual**]** *individual with handicaps* believes any contractor has failed or refuses to comply with the provisions of **[**his**]** *a* contract with the United States, relating to employment of **[**handicapped individuals,**]** *individual with handicaps,* such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant, consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which **[**he**]** *the President* shall prescribe, when **[**he**]** *the President* determines that special circumstances in the national interest so require and states in writing **[**his**]** *the* reasons for such determination.

NONDISCRIMINATION UNDER FEDERAL GRANTS AND PROGRAMS

SEC. 504. No otherwise qualified **[**handicapped individual**]** *individual with handicaps* in the United States, as defined in section 7(7), shall, solely by reason of his handicap, be excluded from the participation in, denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program activity conducted by any Executive agency or by the United States Postal Service. The head of each such agency shall promulgate such regulations as may be necessary to carry out the amendments to this section made by the Rehabilitation, Comprehensive Services, and Developmental Disabilities Act of 1978. Copies of any proposed regulation shall be submitted to appropriate authorizing committees of the Congress, and such regulation may take effect no earlier than the thirtieth day after the date on which such regulation is so submitted to such committees.

REMEDIES AND ATTORNEYS' FEES

SEC. 505. (a)(1) The remedies, procedures, and rights set forth in section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16), including the application of sections 706(f) through 706(k) (42 U.S.C. 2000e–5 (f) through (k)), shall be available, with respect to any complaint under section 501 of this Act, to any employee or applicant for employment aggrieved by the final disposition of such complaint, or by the failure to take final action on such complaint. In fashioning an equitable or affirmative action remedy under such section, a court may take into account the reasonableness of the cost of any necessary work place accommodation, and the availability of alternatives therefor or other appropriate relief in order to achieve an equitable and appropriate remedy.

(2) The remedies, procedures, and rights set forth in title VI of the Civil Rights Act of 1964 shall be available to any person aggrieved by any act or failure to act by any recipient of Federal assistance or Federal provider of such assistance under section 504 of this Act.

(b) In any action or proceeding to enforce or charge a violation of a provision of this title, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

SECRETARIAL RESPONSIBILITIES

SEC. 506. (1) The Secretary may provide directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, technical assistance—

(A) to persons operating rehabilitation facilities; and

(B) with the concurrence of the Board established by section 502, to any public or nonprofit agency, institution, or organization;

for the purpose of assisting such persons or entities in removing architectural, transportation, or communication barriers. Any concurrence of the Board under this paragraph shall reflect its consideration of the cost studies carried out by States under section 502(c)(1).

(2) Any such experts or consultants, while serving pursuant to such contracts, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the daily equivalent of the rate of basic pay payable for grade GS-18 of the General Schedule, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(3) The Secretary, with the concurrence of the Board and the President may provide, directly or by contract, financial assistance to any public or nonprofit agency, institution, or organization for the purpose of removing architectural, transportation, and communication barriers. No assistance may be provided under this paragraph until a study demonstrating the need for such assistance has been conducted and submitted under section 502(h)(2) of this title.

(4) In order to carry out this section, there are authorized to be appropriated such sums as may be necessary.

INTERAGENCY COORDINATING COUNCIL

SEC. 507. There shall be established an Interagency Coordinating Council (hereinafter referred to in this section as the "Council") composed of the Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, *the Assistant Secre-*

tary of the Interior for Indian Affairs, the Attorney General, the Chairman of the Office of Personnel Management, the Chairman of the Equal Employment Opportunity Commission, and the [Chairman] *Chairperson* of the Architectural and Transportation Barriers Compliance Board. The Council shall have the responsibility for developing and implementing agreements, policies, and practices designed to maximize effort, promote efficiency, and eliminate conflict, competition, duplication, and inconsistencies among the operations, functions, and jurisdictions of the various departments, agencies, and branches of the Federal Government responsible for the implementation and enforcement of the provisions of this title, and the regulations prescribed thereunder. On or before July 1 of each year, the Council shall transmit to the President and to the Congress a report of its activities, together with such recommendations for legislative or administrative changes as it concludes are desirable to further promote the purposes of this section. Nothing in this section shall impair any responsibilities assigned by any Executive Order to any Federal department, agency, or instrumentality to act as a lead Federal agency with respect to any provisions of this title.

TITLE VI—EMPLOYMENT OPPORTUNITIES FOR [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

SHORT TITLE

SEC. 601. This title may be cited as the "Employment Opportunities for [Handicapped Individuals] *Individuals With Handicaps* Act".

PART A—COMMUNITY SERVICE EMPLOYMENT PILOT PROGRAMS FOR [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

ESTABLISHMENT OF PILOT PROGRAM

SEC. 611. (a) In order to promote useful opportunities in community service activities for [handicapped individuals] *individuals with handicaps* who have poor employment prospects, the Secretary of Labor (hereinafter in this part referred to as the "Secretary") is authorized to establish a community service employment pilot program for [handicapped individuals.] *individuals with handicaps.* For purposes of this part, the term "eligible individuals" means persons who are [handicapped individuals] *individuals with handicaps* (as defined in section 7(7) of this Act) and who are referred to programs under this part by designated State units.

(b)(1) The Secretary may enter into agreements with public or private nonprofit agencies or organizations, including national organizations, agencies of a State government or a political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or tribal organizations in order to carry out the pilot program referred to in subsection (a). Such agreements may include provisions consistent with subsection (c) for the payment of the costs of projects developed by such organizations and agencies in cooperation with the

Secretary. No payment shall be made by the Secretary toward the cost of any such project unless the Secretary determines that:

(A) Such project will provide employment only for eligible individuals, except that if eligible individuals are not available to serve as technical, administrative, or supervisory personnel for a project then such personnel may be recruited from among other individuals.

(B) Such project will provide employment for eligible individuals in the community in which such individuals reside, or in nearby communities.

(C) Such project will employ eligible individuals in services related to publicly owned and operated facilities and projects, or projects sponsored by organizations, other than political parties, exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954, except for projects involving the construction, operation, or maintenance of any facility used or to be sued as a place for sectarian religious instruction or worship.

(D) Such project will contribute to the general welfare of the community in which eligible individuals are employed under such project.

(E) Such project (i) will result in an increase in employment opportunities over those opportunities which would otherwise be available, (ii) will not result in any displacement of currently employed workers (including partial displacement, such as a reduction in the hours of nonovertime work or wages or employment benefits), and (iii) will not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed.

(F) Such project will not employ any eligible individual to perform work which is the same or substantially the same as that performed by any other person who is on layoff from employment with the agency or organization sponsoring such project..

(G) Such project will utilize methods of recruitment and selection (including the listing of job vacancies with the State agency units designed under section 101(a)(2)(A) to administer vocational rehabilitation services under this Act) which will assure that the maximum number of eligible individuals will have an opportunity to participate in the project.

(H) Such project will provide for (i) such training as may be necesssary to make the most effective use of thes skills and talents of individuals who are participating in the project, and (ii) during the period of such training, a reasonable subsistence allowance for such individuals and the payment of any other reasonable expenses related to such training.

(I) Such project will provide safe and healthy working conditions for any eligible individual employed under such project and will pay any such individual at a rate of pay not lower than the rate of pay described in paragraph (2).

(J) Such project will be established or administered with the advice of (i) persons competent in the field of service in which employment is being provided, and (ii) persons who are knowledgeable with regard to the needs of [handicapped individuals.] *individuals with handicaps.*

(K) Such project will pay any reasonable costs for work-related expenses, transportation, and attendant care incurred by eligible individuals employed under such project in accordance with regulations prescribed by the Secretary.

(L) Such project will provide appropriate placement services for employees under the project to assist them in locating unsubsidized employment when the Federal assistance for the project terminates.

(2) The rate of pay referred to in subparagraph (I) of paragraph (1) is the highest of the following:

(A) The prevailing rate of pay for persons employed in similar occupations by the same employer.

(B) The minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 if such employee were not exempt from such Act under section 13 thereof.

(C) The State or local minimum wage for the most nearly comparable covered employment.

The Department of Labor shall not issue any certificate of exemption under section 14(c) of the Fair Labor Standards Act of 1938 with respect to any person employed in a project under this section.

(c)(1) The Secretary may pay not to exceed 90 percent of the cost of any project which is the subject of an agreement entered into under subsection (b). Notwithstanding the preceding sentence, the Secretary may pay all of the costs of any such project which is (A) an emergency or disaster project, or (B) a project located in an economically depressed area, as determined by the Secretary in consultation with the Secretary of Commerce and the Director of the Community Services Administration.

(2) The non-Federal share of any project under this part may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to services and facilities contributed from non-Federal sources.

(d) Payments under this part may be made in advance or by way of reimbursement, and in such installments as the Secretary may determine.

ADMINISTRATION

SEC. 612. (a) In order to effectively carry out the provisions of this part, the Secretary shall, through the Commissioner of the Rehabilitation Services Administration, consult with any designated State unit with regard to—

(1) the localities in which community service projects of the type authorized by this part are most needed;

(2) the employment situations and types of skills possessed by eligible individuals in such localities; and

(3) potential projects suitable for funding in such localities.

(b) The Secretary shall coordinate the pilot program established under this part with programs authorized under the Emergency Jobs and Unemployment Assistance Act of 1974, the Job Training

Partnership Act, the Community Services Act of 1974, and the Emergency Employment Act of 1971. Appropriations under this part may not be used to carry out any program under the Acts referred to in the preceding sentence.

(c) In carrying out this part, the Secretary may, with the consent of any other Federal, State, or local agency, use the services, equipment, personnel, and facilities of such agency with or without providing such agency with reimbursement and may use the services, equipment, and facilities of any other public or private entity on a similar basis.

(d) Within one hundred and eighty days after the effective date of this part, the Secretary shall issue and publish in the Federal Register such regulations as may be necessary to carry out this part.

(e) The Secretary shall not delegate any function of the Secretary under this part to any other department or agency of the Federal Government.

PARTICIPANTS NOT FEDERAL EMPLOYEES

SEC. 613. (a) Eligible individuals who are employed in any project funded under this part shall not be considered to be Federal employees as a result of such employment and shall not be subject to the provisions of part III of title 5, United States Code.

(b) No contract shall be entered into under this part with a contractor who is, or whose employees are, under State law, exempted from operation of any State workmen's compensation law generally applicable to employees, unless the contractor shall undertake to provide for persons to be employed under such contract, through insurance by a recognized carrier or by self-insurance authorized by State law, workmen's compensation coverage equal to that provided by law for covered employment.

(c) No part of the wages, allowances, or reimbursement for transportation and attendant care costs made available to an eligible individual employed in any project funded under this part shall be treated as income or benefits for the purpose of any other program or provision of State or Federal law, unless the Secretary makes a case by case determination that disallowance of such income or benefits is inequitable or does not carry out the purposes of this title.

INTERAGENCY COOPERATION

SEC. 614. (a) The Secretary shall consult with, and obtain the written views of, the Commissioner of the Rehabilitation Services Administration before establishing rules or general policy in the administration of this part.

(b) The Secretary shall consult and cooperate with the Director of the Community Services Administration, the Secretary of Health and Human Services, and the heads of other Federal agencies carrying out related programs, in order to achieve maximum coordination between such programs and the program established under this part. Each Federal agency shall cooperate with the Secretary in disseminating information relating to the availability of assistance under this part and in identifying individuals eligible for employment in projects assisted under this part.

EQUITABLE DISTRIBUTION OF ASSISTANCE

Sec. 615. (a)(1) Preference in awarding grants or contracts under this part shall be given to organizations of proven ability in providing employment services to [handicapped individuals] *individuals with handicaps* under this program and similar programs. The Secretary, in awarding grants and contracts under this section, shall, to the extent feasible, assure an equitable distribution of activities under such grants and contracts among the States, taking into account the needs of underserved States *and the needs of Indian tribes.*

(2) The Secretary shall allot for projects within each State the sums appropriated for any fiscal year under section 617 so that each State will receive an amount which bears the same ratio to such sums as the population of the State bears to the population of all the States *(including individuals residing on Indian reservations).*

(b) The amount allotted for projects within any State under subsection (a) for any fiscal year which the Secretary determines will not be required for such year shall be reallotted, from time to time and on such dates during such year as the Secretary may fix, to projects within other States in proportion to the original allotments to projects within such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates that projects within such State need and will be able to use for such year. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c) The amount apportioned for projects within each State under subsection (a) shall be apportioned among areas within each such State in an equitable manner, taking into consideration (1) the proportion which eligible individuals in each such area bears to the total number of such individuals, respectively, in that State, and (2) the relative distribution of such individuals residing in rural and urban areas within the State.

DEFINITIONS

Sec. 616. For purposes of this part—

(1) the term "community service" means social, health, welfare, and educational services, legal and other counseling services and assistance, including tax counseling and assistance and financial counseling, and library, recreational, and other similar services; conservation, maintenance, or restoration of natural resources; community betterment or beautification; antipollution and environmental quality efforts; economic development; and such other services essential and necessary to the community as the Secretary, by regulation, may prescribe;

(2) the term "pilot program" means the community service employment program for [handicapped individuals] *individuals with handicaps* established under this part; and

(3) the term "attendant care" means interpreter services for the deaf, reader services for the blind, and services provided to assist mentally retarded individuals to perform duties of employment.

AUTHORIZATION OF APPROPRIATIONS

SEC. 617. There are authorized to be appropriated to carry out the provisions of this part such sums as may be necessary for each of the fiscal years [1984, 1985, and 1986] *1987, 1988, 1989, 1990, and 1991.*

PART B—PROJECTS WITH INDUSTRY AND BUSINESS OPPORTUNITIES FOR [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

PROJECTS WITH INDUSTRY

SEC. 621. (a)(1) The Commissioner, in consultation with the Secretaries of Labor and Commerce and with designated State units, may enter into agreements with individual employers, designated State units and other entities to establish jointly financed projects which—

(A) shall provide [handicapped individuals] *individuals with handicaps* with training and employment in a realistic work setting in order to prepare them for employment in the competitive market;

(B) shall provide [handicapped individuals] *individuals with handicaps* with such supportive services as may be required to permit them to continue to engage in the employment for which they have received training under this section; and

(C) shall, to the extent appropriate, expand job opportunities for [handicapped individuals] *individuals with handicaps* by providing for (i) the development and modification of jobs to accommodate the special needs of such individuals, (ii) the distribution of special aids, appliances, or adapted equipment to such individuals, (iii) the establishment of appropriate job placement services, and (iv) the modification of any facilities or equipment of the employer which are to be used primarily by [handicapped individuals] *individuals with handicaps.*

(2) Any agreement under this subsection shall be jointly developed by the Commissioner, the prospective employer, and, to the extent practicable, the appropriate designated State unit and the [handicapped individuals] *individuals with handicaps* involved. Such agreements shall specify the terms of training and employment under the project, provide for the payment by the Commissioner of part of the costs of the project (in accordance with subsection (c)), and contain the items required under subsection (b) and such other provisions as the parties to the agreement consider to be appropriate.

(3) Any agreement developed under this subsection shall include a description of an evaluation plan which at the end of [each year

of a funding cycle] *each project year* reflects at a minimum the following—

(A) the numbers and types of [handicapped individuals] *individuals with handicaps* assisted;

(B) the types of assistance provided;

(C) the sources of funding;

(D) the percentage of resources committed to each type of assistance provided;

(E) the extent to which the employment status and earning power of [handicapped individuals] *individuals with handicaps* changed following assistance;

(F) the extent of capacity building activities, including collaboration with other organizations, agencies, and institutions; and

(G) a comparison, when appropriate, of activities in prior years with activities in the most recent year.

(b) No payment shall be made by the Commissioner under any agreement with an employer entered into under subsection (a) unless such agreement—

(1) provides assurances that [handicapped individuals] *individuals with handicaps* placed with such employer shall receive at least the applicable minimum wage;

(2) specifies that the Commissioner, together with the designated State unit, has the right to review any termination of employment, and that, in the event such termination occurs less than three years after the date of the commencement of employment of the [handicapped individual] *individual with handicaps* involved, the Commissioner shall be entitled to require the repayment of a portion of the funds made available to the employer if such termination is without reasonable cause, as determined by the Commissioner in consultation with such designated State unit; [and]

(3) provides assurances that any [handicapped individual] *individual with handicaps* placed with such employer shall be afforded terms and benefits of employment equal to those which are afforded to other employees of such employer, and that such [handicapped individuals] *individual with handicaps,* shall not be unreasonably segregated from other employees[.]*; and*

(4) provides assurances that an evaluation report containing data specified under subsection (a)(3) shall be submitted as determined by the Commissioner.

(c) Payments under this section with respect to any project may not exceed 80 per centum of the costs of the project.

(d)(1) The Commissioner shall, not later than February 1, 1985, develop and publish standards for evaluation consistent with the provisions in section (a)(3) to assist each recipient under the Projects With Industry Program receiving assistance under this title to review and evaluate the operation of its project.

(2) The Commissioner shall, pursuant to section 14 of this Act, conduct a comprehensive evaluation of the Projects With Industry Program and submit a report on February 1, 1986, to Congress on the evaluation, including recommendations for the improvement and continuation of each recipient and for the support of new

Projects With Industry recipients. In conducting the comprehensive evaluation, the Commissioner shall apply standards for evaluation criteria which are consistent with those required in section (a)(3).

(3) In developing standards for evaluation to be used by the Projects With Industry recipients, and in developing the standards for evaluation to be used in the comprehensive evaluation, the Commissioner shall obtain and consider recommendations for such standards from State Vocational Rehabilitation Agencies, current Projects With Industry recipients, professional organizations representing industry, organizations representing [handicapped individuals,] *individuals with handicaps,* individuals assisted by Projects With Industry recipients, and labor organizations.

(4) No standards may be established under this subsection unless the standards are approved by the National Council on the Handicapped. The Council shall approve the standards within ninety days after receiving the standards. If the Secretary of Education has not received notification of approval or disapproval from the Council within ninety days, the standards shall be deemed approved. A Council decision on such standards shall occur at a regularly scheduled meeting of the Council, and shall be the result of a simple majority of those present at the meeting.

[(e) The parties to each agreement receiving assistance under this section in the fiscal year in which the Rehabilitation Amendments of 1984 is enacted shall continue to receive such assistance through September 30, 1986, unless the Commissioner determines that there is a substantial failure to comply with the agreement.]

(e)(1) Subject to the availability of appropriations, an agreement for financial assistance under this section may be effective for a period not to exceed five years. Any subsequent agreement for financial assistance under this section may be effective for not more than five years. In making a determination concerning any subsequent agreement, the Commissioner shall consider performance under the previous agreement and evaluation reports submitted under subsection (b)(4).

(2) The Commissioner shall annually review each evaluation report submitted under subsection (b)(4) and make a determination concerning the termination, modification, or renewal of each agreement for financial assistance under this section.

(f) The Commissioner shall to the extent practicable assure an equitable distribution of payments made under this section among the States.

BUSINESS OPPORTUNITIES FOR [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

SEC. 622. The Commissioner, in consultation with the Secretaries of Labor and Commerce, may make grants to, or enter into contracts with, [handicapped individuals] *Individuals with handicaps* to enable them to establish or operate commercial or other enterprises to develop or market their products or services. Within ninety days after the effective date of this section, the Commissioner shall promulgate regulations to carry out this section, including regulations specifying (1) the maximum amount of money which may be provided under this section to any participant, and (2) procedures for certification, by designated State units, of individuals eligible to participate in any program under this section.

AUTHORIZATION OF APPROPRIATIONS

SEC. 623. [There are authorized to be appropriated such sums as may be necessary to carry out the provisions for section 621, $13,000,000 for fiscal year 1984, $14,400,000 for fiscal year 1985, and $15,200,000 for fiscal year 1986; and for section 622 such sum as may be necessary for each of the fiscal years 1984, 1985, and 1986.] *There are authorized to be appropriated to carry out section 621 such sums as may be necessary for each of the fiscal years 1987 through 1991. There are authorized to be appropriated to carry out section 622 such sums as may be necessary for each of the fiscal years 1987 through 1991.*

TITLE VII—COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING

PART A—COMPREHENSIVE SERVICES

PURPOSE

SEC. 701. The purpose of this title is to authorize grants (supplementary to grants for vocational rehabilitation services under title I) to assist States in providing comprehensive services for independent living designed to meet the current and future needs of individuals whose disabilities are so severe that they do not presently have the potential for employment but may benefit from vocational rehabilitation services which will enable them to live and function independently.

ELIGIBILITY

SEC. 702. *(a)* Services may be provided under this title to any individual whose ability to engage or continue in employment, or whose ability to function independently in [his] *the* family or community, is so limited by the severity of [his] *the* disability that vocational or comprehensive rehabilitation services appreciably more costly and of appreciably greater duration than those vocational or comprehensive rehabilitation services required for the rehabilitation of [a handicapped individual] *an individual with handicaps* are required to improve significantly either [his] *the* ability to engage in employment or his ability to function independently in [his] *the* family or community. Priority of services under this part shall be given to individuals not served by other provisions of this Act.

(b) For purposes of this title, the term "comprehensive services for independent living" means any appropriate vocational rehabilitation service (as defined under title I of this Act) and any other service that will enhance the ability of [a handicapped individual] *an individual with handicaps* to live independently and function within his family and community and, if appropriate, secure and maintain appropriate employment. Such services may include any of the following: counseling services, including psychological, psychotherapeutic, and related services; housing incidental to the purpose of this section (including appropriate accommodations to and modifications of any space to serve [handicapped individuals] *individuals with handicaps*); appropriate job placement services; transportation; attendant care; physical rehabilitation; therapeutic treatment; needed prostheses and other appliances and devices; health maintenance; recreational activities; services for children of preschool age, including physical therapy, development of language and communication skills, and child development services; and appropriate preventive services to decrease the needs of individuals assisted under the program for similar services in the future.

ALLOTMENTS

SEC. 703. (a)(1) From sums made available for each fiscal year for the purposes of allotments under this subpart, each State whose comprehensive services plan has been approved under section 705 shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all States. Except as provided in paragraph (2), the allotment to any State under the preceding sentence shall be not less than $200,000 or one-third of 1 percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater, and the allotment of any State under this section for any fiscal year which is less than $200,000 or one-third of 1 percent of such sums shall be increased to the greater of the two amounts.

(2) For the purposes of this subsection, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Terrtiory of the Pacific Islands shall not be considered as States and shall each be allotted not less than one-eighth of 1 percent of the amounts made available for purposes of this subpart for the fiscal year for which the allotment is made.

(b) Amounts necessary to increase the allotments of States under paragraph (1) or to provide allotments under paragraph (2) shall be derived by proportionately reducing the allotments of the remaining States under paragraph (1), but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than the greater of $200,000 or one-third of 1 percent of the sums made available for purposes of this subpart for the fiscal year for which the allotment is made.

(c) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this title, [he] *the Commissioner* shall make such amount available for carrying out the purposes of this section to one or more of the States which [he] *the Commissioner* determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES FROM ALLOTMENTS

SEC. 704. (a) From each State's allotment for a fiscal year under section 703, the State shall be paid the Federal share of the expenditures incurred during such year under its State plan approved under section 705. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

(b)(1) The Federal share with respect to any State for any fiscal year shall be 90 percent of the expenditures incurred by the State during such year under its State plan approved under section 705.

(2) The non-Federal share of the cost of any project assisted by an allotment under this subpart may be provided in kind.

(3) For the purpose of determining the Federal share with respect to any State, expenditures by a political subdivision of such State shall, subject to regulations prescribed by the Commissioner, be regarded as expenditures by such State.

STATE PLANS

SEC. 705. (a) In order to be eligible for grants under this part, a State shall submit to the Commissioner a State plan for a three-year period for providing comprehensive services for independent living to [severely handicapped individuals,] *individuals with severe handicaps* and, upon request of the Commissioner, shall make such annual revisions in the plan as may be necessary. Each such plan shall—

(1) designate the designated State unit of such State as the agency to administer the programs funded under this part;

(2) demonstrate that the State has studied and considered a wide variety of methods for providing comprehensive services to [severely handicapped individuals] *individuals with severe handicaps* such as regional and community centers, halfway houses, and patient-release programs) and that the State will provide, to the maximum extent feasible, meaningful alternatives to institutionalization;

(3)(A) describe the quality, scope, and extent of the comprehensive services for independent living to be provided to [handicapped individuals] *individuals with handicaps* under this part, and specify the State's goals and plans with respect to the distribution of funds received under part B of this title; and

(B) provide satisfactory assurances that facilities used in connection with the delivery of services assisted under this part and part B of this title will comply with the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968;

(4) provide assurances that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each [handicapped individual] *individual with handicaps* eligible for independent living services under this part; (B) such services will be provided in accordance with such programs; and (C) that such program be coordinated with the individualized written rehabilitation program, habilitation plan, or education program for such individual required under section 102 of this Act, section 112 of the Devel-

opmental Disabilities Services and Facilities Construction Act, and sections 612(4) and 614(a)(5) of the Education for All Handicapped Children Act of 1975, respectively;

(5) provide assurances that the State will conduct periodic reviews of the progress of individuals assisted under this title to determine whether services provided to such individuals should be continued, modified, or discontinued;

(6) provide assurances that special efforts will be undertaken to provide technical assistance to urban and rural poverty areas with respect to the provision of comprehensive services for [severely handicapped individuals] *individuals with severe handicaps* and describe such efforts;

(7) provide assurances that [handicapped individuals] *individuals with handicaps* shall have a substantial role in developing the State plan;

(8) provide assurances that not less than 20 percent of the funds received by a State under this part shall be used to make grants to local public agencies and private nonprofit organizations for the conduct of independent living services except that the Commissioner may waive the requirement of this clause if the Commissioner determines, on the basis of evidence submitted by the State, that such State cannot feasibly use the funds required to be expended under this section for the purposes of this clause; and

(9) contain such other information, and be submitted in such form and in accordance with such procedures, as the Commissioner may require.

(b) As soon as practicable after receiving a State plan submitted under subsection (a), the Commissioner shall approve or disapprove such plan. The Commissioner shall approve any State plan which [he] *the Commissioner* determines meets the requirements and purposes of this section. The provisions of subsections (b), (c), and (d) of section 101 of this Act shall apply to any State plan submitted to the Commissioner pursuant to this section, except that for purposes of this section, all references in such subsections to the Secretary shall be deemed to be references to the Commissioner.

PART B—CENTERS FOR INDEPENDENT LIVING

GRANT PROGRAM ESTABLISHED

SEC. 711. (a) The Commissioner may make grants to any designated State unit which administers the State plan under section 705 to provide for the establishment and operation of independent living centers, which shall be facilities offering the services described in subsection (c)(2).

(b) No grant may be made under this section unless an application therefor has been submitted to and approved by the Commissioner. The Commissioner may not approve an application for a grant unless the application—

(1) contains assurances that the designated State unit will use funds provided by such grant in accordance with subsection (c); and

(2) contains such other information, and is submitted in such form and in accordance with such procedures, as the Commissioner may require.

(c) An application by a public or nonprofit agency or organization for such grant shall—

(1) provide assurance that [handicapped individuals] *individuals with handicaps* will be substantially involved in policy direction and management of such center, and will be employed by such center;

(2) contain assurances that the independent living center to be assisted by such grant shall offer [handicapped individuals] *individuals with handicaps* a combination of indpendent living services, including as appropriate—

(A) intake counseling to determine the client's need for specific rehabilitation services;

(B) referral and counseling services with respect to attendant care;

(C) counseling and advocacy services with respect to legal and economic rights and benefits;

(D) independent living skills, counseling, and training, including such programs as training in the maintenance of necessary equipment and in jobseeking skills, counseling on therapy needs and programs, and special programs for the blind and deaf;

(E) housing and transportation referral and assistance;

(F) surveys, directories, and other activities to identify appropriate housing and accessible transportation, and other support services;

(G) health maintenance programs;

(H) peer counseling;

(I) community group living arrangements;

(J) education and training necessary for living in the community and participating in community activities;

(K) individual and group social and recreational activities;

(L) other programs designed to provide resources, training, counseling, services, or other assistance of substantial benefit in promoting the independence, productivity, and quality of life of [handicapped individuals] *individuals with handicaps*;

(M) attendant care and training of personnel to provide such care; and

(N) such other services as may be necessary and not inconsistent with the provisions of this title;

(3) contain a description of an evaluation plan which at the end of each year of funding cycle shall reflect at a minimum the following—

(A) the numbers and types of [handicapped individuals] *individuals with handicaps* assisted;

(B) the extent to which individuals with varying handicapping conditions were served;

(C) the types of services provided;

(D) the sources of funding;

(E) the percentage of resources committed to each type of service provided;

(F) how services provided contributed to the maintenance of or the increased independence of [handicapped individuals] *individuals with handicaps* assisted;

(G) the extent to which [handicapped individuals] *individuals with handicaps* participate in management and decisionmaking in the center;

(H) the extent of capacity building activities including collaboration with other agencies and organizations;

(I) the extent of catalytic activities to promote community awareness, involvement, and assistance;

(J) the extent of outreach efforts and the impact of such efforts; and

(K) a comparison, when appropriate, of prior years(s) activities with most recent year activities.

(4) contain such other information, and be submitted in such form and in accordance with such procedures, as the Commissioner may require.

(d) If, within six months, after the date in each fiscal year on which the Commissioner begins to accept applications from designated State units under this section, a designated State unit in a State has not submitted such an application, the Commissioner may accept applications for grants under this section from local public agencies or private nonprofit organizations within such State. After the receipt of such applications, the Commissioner may make grants to such agencies or organizations for the purpose of establishing independent living centers to provide the services described in subsection (c)(2).

(e)(1) The Commissioner shall, not later than February 1, 1985, develop and publish standards for evaluation consistent with the provisions in subparagraph (c)(3) to assist each independent living center receiving funding under this title to review and evaluate the operation of its center.

(2) The Commissioner shall, under the authority specified in section 14 of this Act, conduct a comprehensive evaluation of the Centers for Independent Living Grant Program, and submit a report no later than February 1, 1986, to Congress on the evaluation, including recommendations for the improvement and continuation of each grantee and for the support of new independent living centers. In conducting the comprehensive evaluation, the Commissioner shall apply standards for evaluation which are consistent with the standards required in paragraph (1).

(3) In developing standards for evaluation to be used by the grantees,and in developing the standards for evaluation to be used in the comprehensive evaluation, the Commissioner shall obtain and consider recommendations for such standards from national organizations representing [handicapped individuals] *individuals with handicaps* and independent living programs; and from independent living centers, professionals serving [handicapped individuals,] *individuals with handicaps,* and individuals, associations, and organizations engaged in research in independent living.

(4) No standards may be established under this subsection unless the standards are approved by the National Council on the Handi-

capped. The Council shall approve the standards within ninety days after receiving the standards. If the Secretary of Education has not received notification of approval or disapproval from the Council within the ninety days, the standards shall be deemed approved. A Council decision on such standards shall occur at a regularly scheduled meeting of the Council, and shall be the result of a simple majority of those present at the meeting.

(f) Grantees receiving assistance under this section in the fiscal year in which the Rehabilitation Amendments of 1984 are enacted shall continue to receive assistance through September 30, 1986, unless the Commissioner determines that there is a substantial failure to comply with the provisions of the approved application.

PART C—INDEPENDENT LIVING SERVICES FOR OLDER BLIND INDIVIDUALS

SERVICE PROGRAM ESTABLISHED

SEC. 721. (a) The Commissioner may make grants to any designated State unit to provide independent living services to older blind individuals. Such services shall be designed to assist an older blind individual to adjust to [his] blindness by becoming more able to care for [his] individual needs. Such services may include—

(1) services to help correct blindness such as (A) outreach services, (B) visual screening, (C) surgical or therapeutic treatment to prevent, correct, or modify disabling eye conditions, and (D) hospitalization related to such services;

(2) the provision of eyeglasses and other visual aids;

(3) the provision of services and equipment to assist an older blind individual to become more mobile and more [able to care for himself;] *self-sufficient;*

(4) mobility training, Braille instruction, and other services and equipment to help an older blind individual adjust to blindness;

(5) guide services, reader services, and transportation; and

(6) any other appropriate services designed to assist a blind person in coping with daily living activities, including supportive services or rehabilitation teaching services.

(b) No grant may be made under this section unless an application therefor, containing such information as the Commissioner may require, has been submitted to and approved by the Commissioner. The Commissioner may not approve any application for a grant unless the application contains assurances that the designated State unit will seek to incorporate any new methods and approaches relating to the servies described in subsection (a) into its State plan for independent living services under section 705 of this title.

(c) Funds received under this section by an designated State unit may be used to make grants to public or private nonprofit agencies or organizations to—

(1) conduct activities which will improve or expand services for older blind individuals and help improve public understanding of the problems of such individuals; and

(2) provide independent living services to older blind individuals in accordance with the provisions of subsection (a).

(d) For purposes of this section, the term "older blind individual" means an individual aged fifty-five or older whose severe visual impairment makes gainful employent extremely difficult to attain but for whom independent living goals are feasible.

PART D—GENERAL PROVISIONS

PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS

SEC. 731. (a) The Commissioner may make grants to States to establish systems to protect and advocate the rights of severely [handicapped individuals.] *individuals with handicaps.* In order to be eligible for a grant under this section, a State shall provide the Commissioner with assurances that any system established with grants made under this section shall have the authority to pursue legal, administrative, and other appropriate remedies to insure the protection of the rights of such individuals receiving services under this title within the State. A State must provide that such system will be independent of any designated State unit that provides services under this part to such indivduals.

(b) No grant may be made under this section unless an application therefor has been submitted to the Commissioner containing such information and in such form and in accordance with such procedures as the Commissioner may, by regulation, prescribe.

EMPLOYMENT OF [HANDICAPPED INDIVIDUALS] *INDIVIDUALS WITH HANDICAPS*

SEC. 732. As a condition of providing assistance under this title, the Secretary shall require that each recipient of assistance take affirmative action to employ and advance in employment qualified [handicapped individuals] *individuals with handicaps* on the same terms and conditions required with respect to the employment of such individuals under the provisions of this Act which govern employment (1) by State rehabilitation agencies and rehabilitation facilities, and (2) under Federal contracts and subcontracts.

PART E—AUTHORIZATIONS

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 741. (a) There are authorized to be appropriated to carry out part A of this title such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.

[(b) There are authorized to be appropriated to carry out part B of this title $21,000,000 for the fiscal year 1984, $22,000,000 for the fiscal year 1985, and $23,000,000 for the fiscal year 1986.

[(c) There are authorized to be appropriated to carry out part C of this title such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.

[(2) The provisions of section 1913 of title 18 of the United States Code shall be applicable to all moneys authorized under the provisions of this subsection.

[(d)(1) There are authorized to be appropriated to carry out part D of this title such sums as may be necessary for each of the fiscal years 1984, 1985, and 1986.]

AUTHORIZATION OF APPROPRIATIONS

Sec. 741. (a) There are authorized to be appropriated to carry out part A of this title such sums as may be necessary for each of the fiscal years 1987 and 1991.

(b) There are authorized to be appropriated to carry out part B of this title such sums as may be necessary for each of the fiscal years 1987 through 1991.

(c) There are authorized to be appropriated to carry out part C of this title such sums as may be necessary for each of the fiscal years 1987 through 1991.

(d)(l) There are authorized to be appropriated to carry out part D of this title such sums as may be necessary for each of the fiscal years 1987 through 1991.

(2) The provisions of section 1913 of title 18 of the United States Code shall be applicable to all sums authorized under the provisions of this subsection.

SECTION 205 OF THE HELEN KELLER NATIONAL CENTER ACT

AUTHORIZATION OF APPROPRIATIONS

SEC. 205. (a) [There are authorized to be appropriated $4,000,000 for the fiscal year 1984, $4,200,000 for the fiscal year 1985, and $4,300,000 for the fiscal year 1986 to carry out the provisions of this title.] *There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary for each of the fiscal years 1987 through 1989.* Such sums shall remain available until expended.

(b) Any appropriation Act containing any appropriation authorized by subsection (a) shall contain a statement of the specific amount being made available to the Center.

ACT OF JULY 11, 1949

JOINT RESOLUTION Authorizing an appropriations for the work of the President's Committee on National Employ the Physically Handicapped Week

Resolved by the Senate and House of Representative of the United States of America in Congress assembled, **That in order to effectuate the purposes of National Employ the Handicapped Week and in order to enable the President to provide the President's Committee on National Employ the Handicapped Week with adequate personnel to assist in its activities, and otherwise to provide the committee with the means of carrying out a program to promote the employment of handicapped persons, by creating Nationwide interest in the rehabilitation and employment of the handicapped and by obtaining and maintaining cooperation from all public and private groups in the field, there is hereby authorized to be appropriated**

[annually, out of any money in the Treasury not otherwise appropriated, not to exceed the sum of $1,000,000] *for each of the fiscal years 1987, 1988, 1989, 1990,* to be expended in such manner and by such agencies as the President may direct, for the work of the President's Committee on National Employ the Physically Handicapped Week. *The President's Committee on Employment of the Handicapped shall be guided by the general policies of the National Council on the Handicapped.*

SUPPLEMENTARY VIEWS

We are pleased that the reauthorization of the Rehabilitation Act of 1973, H.R. 4021, maintains the basic programs contained in the Act and fine tunes many provisions to both streamline and strengthen those programs. The Rehabilitation Act has been of significant benefit to handicapped individuals and has proven its worth many times over by returning to the government $10 for every one dollar spent. It is the epitome of a human investment program that works.

During the full Committee mark-up of H.R. 4021, there was an unresolved discussion on the proposed increase in the State share of funding to 25 percent from 20 percent. Since mark-up, discussions have been held between us and the Subcommittee Chairman and we have reached what we consider to be an equitable solution.

Under the compromise, which would take effect in fiscal year 1989, the State would be responsible for 20 percent of the program costs unless the amount of money received from the Federal government was greater than the State received in FY 1988. In that case, the State share would be 20 percent for the FY 1988 amount, but would be increased for the excess amount at a rate of one percent per year. In 1989 a State would be responsible for 21 percent of the excess amount; in FY 1990, 22 percent; for FY 1991, 23 percent; for FY 1992, 24 percent; and for FY 1993, 25 percent.

This compromise will allow States adequate time to plan for the necessary additional funding and at the same time will approach the goal of an increased State share of the funding. We are grateful to the Subcommittee Chairman and his staff for their efforts in helping us reach this agreement.

William D. Ford.
Dale E. Kildee.
Charles A. Hayes.
Paul B. Henry.
Carl C. Perkins.
Terry L. Bruce.

SUPPLEMENTAL VIEWS TO H.R. 4021

Prior to providing vocational rehabilitation services, current law requires a state vocational rehabilitation agency to fully consider whether a vocational rehabilitation client is eligible for similar benefits under any other program. Current law provides an exception to this requirement for services specified in clauses (4) and (5) of subsection (a) of Section 103 where ". . . such consideration shall not be required where it would delay the provision of such services to any individual." Clauses (4) and (5) of subsection (a) of Section 103 relate generally to physical and mental restoration services (4), and financial maintenance (5).

H.R. 4021 amends current law by substituting a requirement that the Vocational Rehabilitation agency make a "determination" that similar services and benefits are not available under any other program, and maintains the current language excepting clauses (4) and (5). The shift from a "full consideration" standard to a "determination" standard will have the desired effect of decreasing the likelihood that the vocational rehabilitation agency will spend funds to provide services that would be made available by another agency.

At both the Subcommittee and Full Committee mark-up of H.R. 4021, I offered an amendment which would have had the effect of excepting clauses (4) and (5) of subsection (a) of Section 103 only where the determination would have placed the client at "extreme medical risk." This amendment was retracted upon request in order to give Members the opportunity to study its impact.

I am pleased to note that the Chairman of the Subcommittee on Select Education indicates his support for the proposed amendment and shares my belief that the provision will have a positive impact upon the program, consistent with the changes in H.R. 4021 relating to Section 101(a) (8).

An individual "at extreme medical risk" is one who is (1) experiencing a life-threatening condition, or (2) is in the direct and immediate risk of suffering a permanent and significant loss of physical and/or mental functioning.

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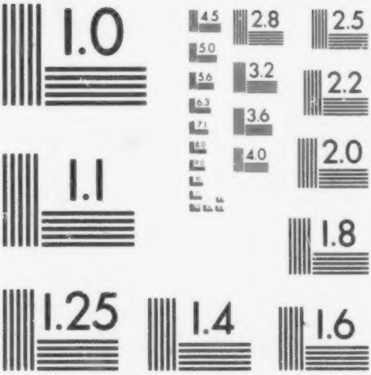
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